



ANNUAL REPORT 2018-2019

“By 2030,
KwaDukuza shall
be a vibrant city
competing in the global
village economically,
socially, politically and in a
sustainable manner”.

Vision

“By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner”.

Mission

The mission of KwaDukuza Municipality is to achieve the highest economic status through:

- ▶ Driving local economic development;
- ▶ Delivering a high standard of essential services;
- ▶ Encourage public participation; and
- ▶ Overcoming debt and achieving cost recovery on services provided.



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MAYOR'S FOREWORD

Greetings to the community and stakeholders of the KwaDukuza Municipality. It is an honour and privilege for me to present to you the municipality's 2018/2019 Annual Performance Report, which showcases our bill of health as an institution as well as our strengths, weaknesses, opportunities and threats as presented by factors in the global, political and local environment.



Cllr. D Govender

During the year under review, the municipality faced a plethora of challenges, with under expenditure on capital projects, which affected service delivery provision and added to the backlogs, which we meant to reduce. On the other hand, I am excited to report that the municipality achieved 97% expenditure on the Municipal Infrastructure Grant and obtained a Govan Mbeki Award in the Best Human Settlement Projects category. The latter proves that we are hard at work to resolve the injustices of the past and also provide new infrastructure.

We the people of KwaDukuza Municipality have journeyed far since the long lines of our first democratic election on the 27th of April 1994, when we elected a government for us all. We began to tell a new story then. We have lived and renewed that story along the way. Now in 2018, the centenary of Nelson Mandela who ushered us into this democracy, we live in a country which we have remade.

We have created a home where everybody feels free yet bounded to others; where everyone embraces their full potential. We are proud to be a community that cares. I am pleased to announce that KwaDukuza Municipality is the first secondary city in Africa to receive full green compliance badges from The Global Covenant of Mayors for Climate and Energy. This is a pledge on our side to reduce local greenhouse gas emissions and enhance resilience to climate change.

As a way to keep in touch with our communities, promote transparency and ensure constant communication through applicable public participation avenues with local communities, Ward Councillors were mandated to hold a series of community meetings to report back to communities. This promoted a much-needed communication between the local communities and local political leaders. It also allowed for a space to get clear status updates on municipal projects taking place in each ward.

In terms of the municipality's overall performance, I am pleased to showcase that overall, we have done well, though there is a big room for improvement, particularly in the Service Delivery KPA where we have achieved an unsatisfactory score of 37%. Below is an indication of how we performed in the Key Performance Areas (KPA):

- a) Municipal Institutional Development and Transformation- the overall achievement for this KPA is 71%. There was a 3% increase

from 2017/2018 financial year performance.

- b) Basic Service Delivery and Infrastructure Development - the overall achievement for this KPA is 21%. There was a significant drop in basic service delivery performance of 21% from, 47%, which was achieved in the previous financial year.
- c) Local Economic Development - the overall achievement for this KPA is 62%. There was a significant 24% increase from the 2017/2018 financial year.
- d) Municipal Financial Viability and Management - the overall achievement for this KPA is 75%. There was a 9% increase from the 2017/2018 financial year.
- e) Good Governance and Public Participation - the overall achievement for this KPA is 63%. There was also a significant 24% increase in this KPA from 2017/2018 financial year.
- f) Cross-Cutting Interventions-Spatial Planning and Environmental Management - the overall achievement for this KPA is 79%. There was a slight 2% decrease from what was achieved in the 2017/2018 financial year.

Let us continue to strive towards our goal of being a vibrant city by 2030, by constantly enhancing our work in all areas, but especially when it comes to empowering and helping the vulnerable in our communities, who need our help the most. While this annual report allows us to reflect on the work we have done, may it also inspire all of us to work even harder.

I want to take this opportunity to wish the former Mayor of KwaDukuza Municipality, Dr. Mthembu, who was deployed by the ANC to lead in the Provincial Legislature of KwaZulu-Natal, well. His stewardship over the years has been nothing but exceptional.

Her Worship,
The Acting Mayor of KwaDukuza Municipality.

1.1 MUNICIPAL VISION AND MISSION

VISION

“By 2030, KwaDukuza shall be a vibrant city competing in the global village economically, socially, politically and in a sustainable manner”.

MISSION

The mission of KwaDukuza Municipality is to achieve the highest economic status through:

- ▶ Driving local economic development;
- ▶ Delivering a high standard of essential services;
- ▶ Encourage public participation; and
- ▶ Overcoming debt and achieving cost recovery on services provided.

Table 1: Core Values of KwaDukuza

CORE VALUES OF KWADUKUZA

- ▶ Ethical behavior
- ▶ Respect
- ▶ Honesty and Integrity
- ▶ Accountability to each other and the public
- ▶ Team work
- ▶ Initiative and Innovation
- ▶ Fiscal responsibility
- ▶ Excellent customer service
- ▶ Hard work and timeliness
- ▶ Care & protection of resources
- ▶ Flexibility and cooperativeness
- ▶ Compliance with all set regulations
- ▶ Loyalty
- ▶ Unity
- ▶ Efficiency
- ▶ Professionalism
- ▶ Cost effectiveness
- ▶ Discipline
- ▶ Diligence
- ▶ Openness and Transparency
- ▶ Non discriminatory

1.2 KEY DEVELOPMENT OBJECTIVES

Below is the table showing KwaDukuza's Strategic Plan aligned to National KPAs, KZN Provincial Development Growth Strategy, iLembe Strategic Objectives as well as National Outcomes:

KDM GOALS	DGDS- GOALS	PGDS- GOALS	NDP - GOALS	SDG - GOALS
Goal 1: Improve good governance, audit outcomes and consequence management.	6	6	3,8	16
Goal 2: Strengthen public participation, complaint management system and accountability.		3	4	16
Goal 3: Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty.	1,3,5	1,7	1,2,3,4	1, 2, 5, 6, 7, 8, 9, 10,11
Goal 4: Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.		2, 3, 4	3, 4, 7	4, 5, 6, 9
Goal 5: Enhance municipal financial sustainability.			3, 8	
Goal 6: Develop comprehensive response to rapid urbanization, low carbon development and environment sustainability.	4	5	2	13, 14, 15
Goal 7: Expand and maintain the provision of quality basic services and the integrated human settlements.	5		2, 3, 4, 7	6, 7, 11
Goal 8: Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. youth women, and disabled people) in all development programmes.		3	4, 5	4, 5, 8, 10, 16
Goal 9: Create a safer and crime free municipal area through community-public private partnerships.	5		7	11,16
Goal 10: Build the capacity and systems for the 4th Industrial Revolution and the integrated E-government services.		2,3,4	5,7	4

Table 2: Kdm 5 Year Strategic Objectives Aligned To The National Outcomes

1.3 POLITICAL GUIDANCE ON FISCAL AND NON-FISCAL MATTERS

The KwaDukuza Municipality faced challenges with under expenditure on capital projects which has improved in the year under review as a result of splitting the Technical Services Department into Electrical and Civil Services Departments. This restructuring has assisted in accountability to ensure proper planning and backlog of infrastructure projects is addressed. The KwaDukuza Municipality achieved 97% expenditure on MIG and obtained a Govan Mbeki award on best Human Settlement projects.

2. STRATEGIC ALIGNMENTS TO PGDS

NO.	PGDS STRATEGIES GOAL	ALIGNMENT THEREOF
1	Inclusive economic growth	▶ Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty
2	Human Resources Development	
3	Human and Community Development	<ul style="list-style-type: none"> ▶ Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services; ▶ Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government.
4	Strategic Infrastructure	▶ Expand and maintain the provision of quality basic services and the integrated human settlements.
5	Responses to Climate Change	▶ Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability.
6	Governance and policy	<ul style="list-style-type: none"> ▶ Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services; ▶ Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government; ▶ Improve good governance, audit outcomes and consequence management; ▶ Strengthen public participation, complaints management system and accountability; ▶ Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. Youth, women, disabled people) in all developmental programmes;
7	Spatial Equity	<ul style="list-style-type: none"> ▶ Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability. ▶ Expand and maintain the provision of quality basic services and the integrated human settlements.

Figure: Provincial Growth and Development Strategy vs KDM Municipal Interventions

2.1 SERVICE DELIVERY IMPROVEMENTS

ROAD CONSTRUCTION, MAINTENANCE AND STORM WATER DRAINAGE

ROAD NAME/ NUMBER	STATUS
Storm water repairs in the Southern part of KwaDukuza (Ward 4, 8, 23 & 28)	Complete
Ward 2 Storm water	Complete
Ward 2 Storm water and road	Complete
Reinstatement of collapsed Storm water at 38 Geranium Street in Ward 17	Complete
Repair of ML Sultan Road	Complete
Storm water improvement in Ward 29	Complete
Repair sink hole and Storm water pipe in ward 27	Complete
Rehabilitation of Murugan Road in Ward 13	Practical Complete
Reinstatement of wooden bridge in Ward 18 / 5	Complete
Resurfacing of road and construction of Storm water crossing at Ward 17	Complete
Clean road verges, replace broken manhole covers and jet Storm water line in Ward 5, 16, 17, 12 & 18	Complete
Rehabilitation of flood damaged bridge in Ward 5	Practical Complete
Clean and high-pressure jet Storm water drains in Ward 13 & 19	Complete
Nkobongo Storm water rehabilitation Ward 8	ongoing

2.2 PUBLIC PARTICIPATION

As a way to keep in touch, promoting transparency and ensuring constant communication through applicable Public Participation avenues with local communities, Ward Councillors are mandated to host a series of Community Meetings in order to touch base with local Communities. This promotes a much-needed communication between the local communities and local political leaders. It also allows for a space to get clear status updates on Municipal projects taking place per Ward.

It is important to note that effective communication, through Public Participation, especially with local communities, which is reliant on local Communities, leads to effective communication which results in transparency, being in the know about one's area and effectively prevents service delivery riots from taking place as everything is clear. It should also be noted that the Municipality also relies on Ward Committees to ensure that Public Participation takes the center role in the development of local communities. Each municipality is expected to prepare its ward committee assessment report on quarterly basis with a file consisting of a functionality calculator and a portfolio of evidence against each of the six (6) functionality indicators. COGTA conducts verification of results based on evidence against each indicator as presented by the municipality and compiles a consolidated provincial quarterly report. Where a municipality has failed to submit its assessment results, that will be regarded as an indication that its ward committees are non-functional. The verification process is conducted in each district in the presence of municipal officials responsible for public participation in a municipality. Verified results are communicated to municipalities through different structures, such as District Public Participation Forum, PPPSC meetings, Speakers' Forum meetings, etc.

Output 5 of the Outcome 9 Delivery Agreement is about deepening democracy through a refined ward committee model, and commits

the sector to strengthening the ward committee system, and ensuring the functionality of ward committees. Furthermore, in terms of section 73(4) of the Municipal Structures Act, the municipality is expected to make administrative arrangements to enable ward committees and ward sub committees to perform their functions and exercise their powers effectively.

2.3 PARTICIPATION IN THE IDP PROCESS

IDP PUBLIC PARTICIPATION PROCESS

(A) PUBLIC PARTICIPATION CONTEXT

In terms of the provisions of Chapter 4 of the Municipal Systems Act (Act 32 of 2000), a municipality must encourage and create conditions for the local community to participate in the affairs of the municipality, including the preparation, implementation and review of its Integrated Development Plan. Accordingly, KwaDukuza Municipality has maintained its commitment to a participatory process of IDP review whereby the community would play a meaningful role.

There are four major functions that can be aligned with the public participation process vis-à-vis:

- Needs identification;
- Identification of appropriateness of proposed solutions;
- Community ownership and buy-in; and
- Empowerment.

(B) MECHANISMS FOR PARTICIPATION

The following mechanisms for participation were utilised:

IDP STEERING COMMITTEE

The Steering Committee is a technical working team consisting of Departmental Heads within the Municipality. This committee is chaired by the Municipal Manager and the IDP Unit is responsible for co-ordinating meetings. The invitation to attend the working sessions is usually extended to middle managers. These are all the representatives who are involved in the preparation of technical reports and information, formulation of recommendations as well as to prepare any other pertinent documents during the compilation of the IDP processes. IDP Steering Committee meets every Monday in the form of Manco and Extended Manco where all issues related to the IDP are attended to.

IDP REPRESENTATIVE FORUM (IDPRF)

The IDP Representative Forum is representative of all stakeholders and endeavors to be as inclusive as it possibly could. Concerted efforts were made to bring additional organizations onboard the IDPRF with a view to ensuring their continued participation throughout the process. The IDP Representative Forum meeting was held on Wednesday, 25 July 2018 at KwaDukuza Town Hall from 09h00 to 13h00. The purpose of the meeting was to present the Draft IDP, PMS and Budget Process Plan for 2019/2020. The sector government departments presented on their planned programmes, projects and budgets for 2019/2020.

WARD COMMITTEES AND COMMUNITY DEVELOPMENT WORKERS

Ward Committees and Ward Councillors are formal structures established as per the provisions of the Municipal Structures Act. Accordingly, these structures are utilized as a link between the Municipality and Communities, for the purposes of obtaining information pertaining to the IDP implementation.

THE PRINT MEDIA (NEWSPAPERS)

Local newspapers (i.e. North Coast Courier, Stanger Weekly, Express Times, Dolphin Coast Mail) were used interchangeably to publish and/or inform the local community of the progress on the IDP, PMS and Budget Processes. The table below represents the print media/newspapers, activities and dates published:

PRINT MEDIA/NEWSPAPER	ACTIVITY	DATE PUBLISHED
The Bugle	Invitation to the IDP Representative Forum Meeting	20 July 2018
The North Coast Courier	Invitation to Register as a Stakeholder and/or Interested Party in the IDP Review and Budget Process 2019/2020	20 July 2018
The North Coast Courier	IDP/PMS/Budget 2019/2020 Process Plan and Calendar	03 August 2018
Ilanga Newspaper	Draft IDP/PMS/Budget 2019/2020	08-10 April 2019

MUNICIPAL WEBSITE

The KwaDukuza Municipality Website was utilized for uploading public information regarding the IDP and general municipal information which ordinarily entails the IDP and budget adverts. The following documents were uploaded on the municipal website:

DOCUMENTS UPLOADED ON MUNICIPAL WEBSITE

DOCUMENTS UPLOADED
Draft Annual Report 2017/2018
Annual Performance Report 2017/2018
IDP/PMS/Budget Process Plan 2019/2020
Draft IDP/PMS/Budget 2019/2020
Advertisement of IDP/PMS/Budget Process Plan 2019/2020

MUNICIPAL NOTICE BOARDS

The Municipal Notice Boards are placed at various municipal buildings. The Municipal Notice Boards were used to inform the stakeholders about critical IDP meetings to be attended as well as important notices.

SECTORAL STAKEHOLDERS' CONSULTATION

During the 2019/2020 IDP review process, the Municipality consulted with various sectoral interest groups in formulating its IDP. The following stakeholders were consulted:

- ▶ Ratepayers Association;
- ▶ Amakhosi;
- ▶ Youth Forums;
- ▶ ILembe Chamber of Business; and
- ▶ Government Departments: The iLembe IDP Sector Alignment Session was held on 29th February 2019 in the iLembe Disaster Management Section with various government Departments with an intention of aligning the departmental projects and budgets. While KZN-Cogta held the iLembe Draft IDP Feedback Session on 3rd May 2019.

2.4 STRATEGIC PARTNERSHIPS

This programme provides an opportunity to create business linkages and strategic partnerships with private and public stakeholders for the growth and sustainable development of SMME's including Cooperatives. KwaDukuza has successfully facilitated programs with various partners to access to markets and skills development challenges.

PROGRAMS IMPLEMENTED WITH BALWIN FOUNDATION:

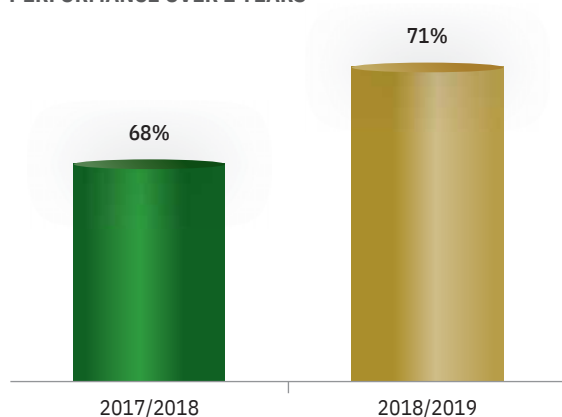
- Fifteen (15) days training of 20 contractors in Entrepreneurship and Legal Compliance for Construction Contracts.
- Two (2) day financial literacy training for 20 contractors.
- Bricklaying Course implemented by Corobrick Avoca Hills Durban with 15 trainees and the training duration was two (2) months.
- Ten (10) days training on Building and Civil Administration Procedures for Construction Project where 20 contractors participated.

COMPONENT B: EXECUTIVE SUMMARY:

MUNICIPAL INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

- ▶ THE OVERALL SCORE FOR THE KPA IS 71%.

PERFORMANCE OVER 2 YEARS



PERFORMANCE HIGHLIGHTS:

There was a 3% increase from 2017/2018 performance on Institutional Development

CHALLENGE:

- ▶ The municipality is still struggling to appoint people with disabilities in its staff establishment. This is due to non-responsive applications received from these vulnerable groups which make it difficult for them to be shortlisted.
- ▶ Our IT systems have long been in the eye of the Auditor-General, a lot of findings were raised on the inefficiencies of our IT system.
- ▶ There is poor ICT network, support and continuous use of manual systems to process certain applications by Business Unit.
- ▶ There is a very low figure of women appointed into managerial positions and non-compliance with equity targets

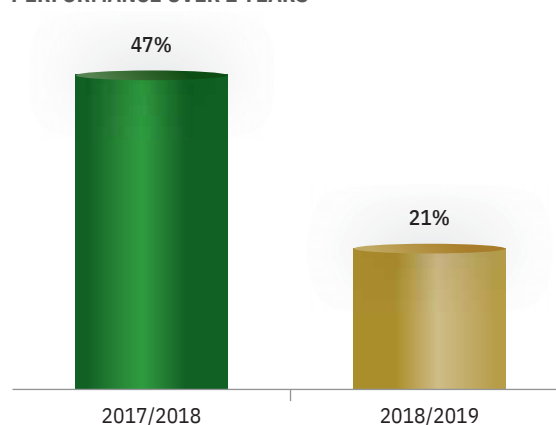
MEASURES TAKEN TO IMPROVE PERFORMANCE

- ▶ The Office of the Mayor and HR office have both developed the mechanisms to address and accommodate issues/interests and the needs of the disabled including their readiness to be appointed in various positions of the municipality. There are different categories of disabilities, therefore for long term, the municipality also has to consider making the municipal buildings user friendly for all different categories of disability.
- ▶ During the 2019/2020 financial year, Director IT was appointed and he has already started developing a strategy that will address

- the IT system that has been repeatedly raised by the AG.
- ▶ Adhere to the implementation of gazetted Employment Equity Plan;
- ▶ Embark on target recruitment so as to accomplish equity targets for less represented groups within Council including those from the coloured and white communities;
- ▶ Provide a dedicated programme to develop and benefit women talent.
- ▶ Fast-track the filing of vacant, new and/or attrition posts.
- ▶ Invest in the ICT network and off-site disaster recovery facility;
- ▶ Strengthen the capacity of the ICT Unit by ensuring that critical posts are filled as well as improve general governance issues
- ▶ Establish panels to ensure that ICT equipment's and software are provided.

BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

PERFORMANCE OVER 2 YEARS



- ▶ THE OVERALL SCORE FOR THE KPA IS 21%.

There was a drop in Basic Service Delivery performance of 19% from what was achieved in the previous financial year which was 47%, this is mainly to delays in finalisation of SCM processes which affects implementation on the ground.

PERFORMANCE HIGHLIGHTS:

The Civil Business Unit managed to have 97% expenditure on MIG allocation for the 2018/2019 financial year even though the overall achievement on Basic Service Delivery dropped by 15%. Reasons for such low performance is outlined below as well as the corrective measures to address challenges going forward.

KWADUKUZA DEVELOPMENT CHALLENGES:

- ▶ The ageing infrastructure and ageing water infrastructure lay under our road infrastructure causes failures in our road infrastructure.
- ▶ Insufficient budget for maintenance of roads resulting in poorly maintained roads.

- Poor capital expenditure and negative impact on communities and the shortage of resources to deliver services as expected
- An abundance of overtime worked, unproductivity and unsupervised municipal staff
- Poor public street lighting.
- There is shortage of low-cost and affordable housing
- There are poor waste collection services in the semi-urban areas and northern area of KwaDukuza

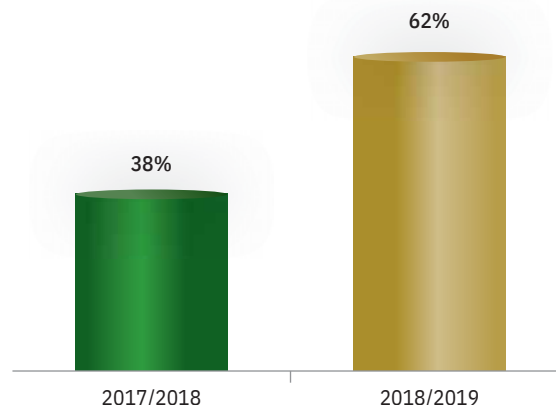
PROPOSED CORRECTIVE ACTIONS:

- Pavement Management System is in place to assist in identifying maintenance shortages and to prioritise maintenance remedies.
- Introduce and implement shift systems with a view to curb overtime and enhance productivity;
- Ensure compliance with the overtime management plan per Business Unit as well as adherence to the Basic Conditions of Employment Act (BCEA);
- Support the introduction of electricity application system and SCADA System;
- Roll-out maintenance of streetlights using the panel of service providers and internal staff;
- Roll-out retrofitting of existing street lights with energy efficiency streetlights;
- Installation of new energy efficiency streetlights within the boundaries of the municipality; and;
- Implement ongoing Installation of high mast lights (Apollo lights).
- Hasten the implementation of pothole patching and road rehabilitation programme through panel of contractors servicing all clusters;
- Engage in and expedite the rehabilitation of roads by both iLembe DM and Fibre optic contractors, through signed MOA and wayleave applications;
- Upgrade roads from gravel to black-top; and
- Utilisation of internal capacity to re-gravel the gravel roads.
- Bring to completion all houses that are under construction and continue to mobilise the increment of Housing Development Grant;
- Unclog the blocked projects for implementation i.e. Rocky Park, Driefontein;
- Fast-track the appointment of Social Housing companies to unlock social housing projects within the municipality and expedite the closure of old projects and issue of title deeds.
- Finalise and implement the recommendations of section 78 study (PPP);
- Provide additional skips and promote community waste management initiatives utilising programmes i.e. CWP and Good Green Deeds;
- Ensure public education on waste management and impact of illegal dumping; and
- Extend the roll-out of recycling bins in the municipal's area of jurisdiction.
- Establish and use a panel of contractors to implement capital expenditure; and
- Increase capacity to monitor performance of contractors.
- Curb red tape and delays on SCM processes through forward planning.

LOCAL ECONOMIC DEVELOPMENT

► THE OVERALL SCORE FOR THE KPA IS 62%.

PERFORMANCE OVER 2 YEARS



PERFORMANCE HIGHLIGHTS:

There was a significant 24% increase from 2017/2018 financial year

CHALLENGES

- High unemployment rates amongst youth and women in KwaDukuza.
- Propensity of Local businesses to employ people from outside KwaDukuza
- Untransformed economy and few business opportunities made available to local emerging businesses. This challenge has led to the formation of business forums which violently demand work opportunities
- Increased crime which threatens community safety and investment to the area.

POSSIBLE SOLUTIONS

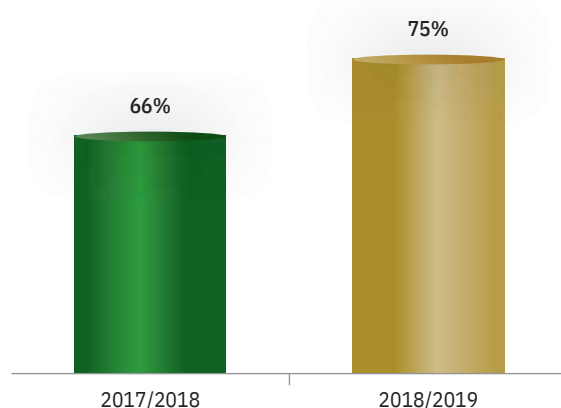
- Ensure full implementation of EDP EDRMS and Planning Tracking System;
- Expedite the establishment of NYDA District Office and YES Office within KwaDukuza;
- Expedite and enter into social compact agreements with Investors Developers to prioritise appointment of KwaDukuza residents when there are job opportunities; and
- Ensure that all projects adhere to EPWP principles and the implementation thereof.
- Focus on the promotion of direct investment through minimising development approval red-tape and provision of incentive (rates rebate);
- Provide start-up support to SMMES/Cooperatives involved in the manufacturing sector;
- Implement Nokukhanya Luthuli tourism precinct business plan;
- Implement emerging contractor's development programme;

- ▶ Promote and support SMMEs that are involved in the innovation and technology business;
- ▶ Promote green economy;
- ▶ Implement Target Procurement and enforce meaningful sub contracting in all municipal contracts exceeding R4 million in value; and
- ▶ Review and adopt KwaDukuza LED Plan.
- ▶ Partner with private sector and community-based organisations for the installation of vehicle identification cameras
- ▶ Partner with private security companies and SAPS to fight crime by undertaking joint enforcement blitz and sharing crime intelligence;
- ▶ Develop and adopt KwaDukuza Crime Strategy;
- ▶ Strengthen the functioning of Community Policing Forums;
- ▶ Focus targeting school crime awareness programmes;
- ▶ Ensure the implementation of Council by-laws; and
- ▶ Improvement on the functioning of Council CCTV camera's project.

MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT

- ▶ THE OVERALL SCORE FOR THE KPA IS 75%

PERFORMANCE OVER 2 YEARS



PERFORMANCE HIGHLIGHTS:

There's a 9% increase from the 2017/2018 financial year

CHALLENGES:

- ▶ Limited revenue sources and poor collection of debts, which in turn leads to budgetary constraints that adversely impact the financing of various interventions.
- ▶ Failure to deal with irregular expenditure and abuse of section 36 of the MFMA.

MEASURES TAKEN TO IMPROVE PERFORMANCE:

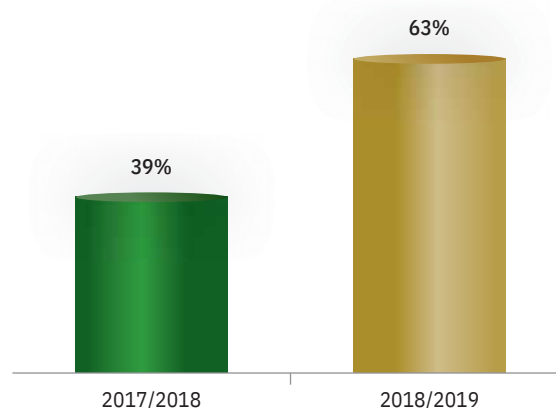
- ▶ Fast-track and ensure tight implementation of Council credit policy;
- ▶ Concentrate on revenue enhancement projects led by various BU;
- ▶ Curb Electrical/Energy Loss through implementing disconnections and continuous meter audits;

- ▶ Embark on accounts data cleansing project;
- ▶ Implement approved KwaDukuza Reserve Policy,
- ▶ Ensure that the Debt and Revenue Enhancement Committee functions to its maximum; and
- ▶ Implement Debt Incentive Scheme.
- ▶ Fast-track the completion of award of section 78 (PPP) project for waste-collection;
- ▶ Implement and enforce compliance with applicable legislation to avert irregular expenditure;
- ▶ Reduce section 36 appointments through the establishment of a panel of service providers to attend to emergencies; and
- ▶ Ensure that there is implementation of consequential management for non-compliance with Council policies and legislation.

GOOD GOVERNANCE AND PUBLIC PARTICIPATION

- ▶ THE OVERALL SCORE FOR THE KPA IS 63%

PERFORMANCE OVER 2 YEARS



PERFORMANCE HIGHLIGHTS:

All compliance related targets were submitted to the relevant structures within required timeframes. A significant 24% increase from 2017/2018 financial year was realised under this KPA.

CHALLENGES:

- ▶ Dysfunctional Ward Committees and lack of public meetings
- ▶ Failure to achieve Clean Audit by the Municipality

MEASURES TAKEN TO IMPROVE PERFORMANCE:

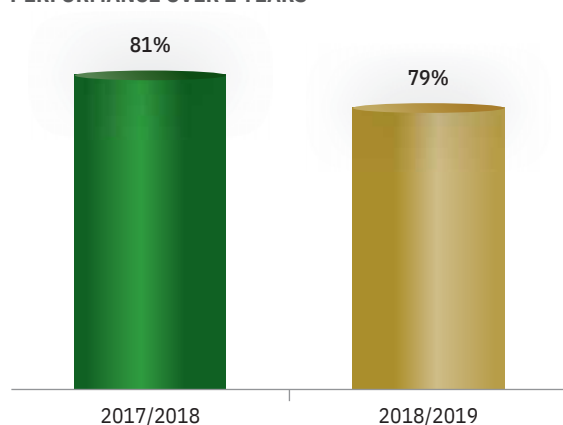
- ▶ Provide on-going support to Ward Committees to improve their performance through training and ward committee meetings
- ▶ Ensure that all Ward Councillors conduct their quarterly meetings with the members of the public;
- ▶ Ensure that stakeholder forums i.e. (IDP Rep Forum, LED Forum, OSS/ War Rooms, Youth Forums, Gender and Disability, HIV-Aids Local Council etc.) are functioning properly and report to Council on quarterly basis; and

- ▶ Strengthen the use of communication platforms (e.g. websites, social media and municipal publications) to communicate and receiving of feedback from the community.
- ▶ Deal with the perception of corruption and stagnant audit outcome
- ▶ Build capacity of Internal Audit to provide on-going assurance services to Council;
- ▶ Ensure that Anti-fraud hotline is working and known by the public;
- ▶ Conduct ongoing staff and community awareness on fraud and corruption policies of Council;
- ▶ Implement consequential management against those who breach Council policies and laws of the Republic of South Africa; and
- ▶ Encourage the public to attend Council meetings and participate in Annual Oversight report processes.

CROSS-CUTTING INTERVENTIONS- SPATIAL PLANNING & ENVIRONMENTAL MANAGEMENT

- ▶ THE OVERALL SCORE FOR THE KPA IS 79%.

PERFORMANCE OVER 2 YEARS



PERFORMANCE HIGHLIGHTS:

There was a slight 2% decrease from what was achieved in 2017/2018

CHALLENGES:

- ▶ Delay in approving building plans and town planning applications
- ▶ Poor enforcement of environmental laws and inadequate knowledge on climate change effects on our communities.

MEASURES TAKEN TO IMPROVE PERFORMANCE:

- ▶ Finalise the implementation of Development and Building Plans application reforms with assistance of World Bank/Vuthela LED Programme;
- ▶ Enter into SLA with all Business Units ED who have a responsibility to comment on applications;
- ▶ Ensure proper functioning of the Development Assessment Committee;
- ▶ Attend to all public complaints regarding delays within 7 days of receiving such complaints.
- ▶ Hasten the implementation of all EDRMS Modules and the introduction of Plan Tracking System; and
- ▶ Continue to have sessions with professionals /agents on a quarterly basis to deal with issues of common interest.
- ▶ Increase staff members who are trained and designated as Environmental Management Inspectors by the MEC;
- ▶ Provide on-going community awareness programmes on climate change and environmental management;
- ▶ Implement approved KwaDukuza Green buildings guidelines and KwaDukuza Low Carbon Emission Strategy; and
- ▶ Identify and implement community resilience projects;
- ▶ Partner with Green Scorpions/ Department of Minerals Resources to enforce against illegal sand miners along Umvoti River;
- ▶ Encourage mainstreaming of green/climate proof projects by all municipal business units; and
- ▶ Provide support and guidance to internal departments to comply with applicable legislation when implementing their projects.



Nhlanhla Mdakane

MUNICIPAL MANAGER'S FOREWORD:

My humble and sincere greetings to the community and stakeholders of the KwaDukuza Municipality.

The KwaDukuza Municipal Council is left with less than two (2) years of its tenure. In December 2016, Council adopted Lekgotla Resolutions in Drakensburg, which made clear priorities for this term that comes to an end in 2021. In this annual report, it is portrayed how the Municipality has made sound and unswerving progress towards realizing its mission to be a vibrant city that enables economic growth and job creation and to be a well-governed administration that strives to deliver quality services to all its residents.

We have, in the year under review, visited communities – in the form of Izimbizo, community meetings and various legislated roadshows – to reflect on the progress we have made in implementing the Council's Lekgotla Resolutions. Notably, the following progress has been made:

- 1) Council finalised its organizational restructuring, which emanated in the new business units being established, which are Community Services and Youth Development.
- 2) Council was able to unlock several investment projects in the various economic nodes. That is the KwaDukuza Mall and KwaDukuza Private Hospital,
- 3) Council continued to put youth on the centre of its development agenda
- 4) Council received many accolades, which included being rated third in the country and first in the province in terms of financial sustainability on the Municipal Financial Sustainability Index done by Ratings Africa,
- 5) We were also recognized internationally and nationally as a front runner on issues of Climate Change.
- 6) Council also implemented projects which promote and foster social cohesion and heritage preservation by naming amongst others, Council's newly renovated Ballito Civic Building to Nokukhanya Luthuli House in September 2018 and lately renaming Stanger Hospital to General Gizenga Mpanza Hospital in April 2019

During the previous financial years report, I did say that we had plans in place for taking our municipality to higher levels of infrastructure and service excellence and that we remain committed to putting the people of KwaDukuza at the centre of everything we do. During this year under review, these key proposals were taken forward by the Council to both national and provincial government:

- 1) Establishment of the new police station for the area or adding more resources to the existing police stations in uMhlali and KwaDukuza.
- 2) Fast-tracking of building new public schools to accommodate growing communities in the areas of Shakashead, Etete, Ballito, Salt Rock, and Madundube.
- 3) Renovation and improving facilities in all public health facilities clinics, in particular, Ballito and KwaDukuza facilities.
- 4) Improving coordination between KwaDukuza, SANRAL and DOT, in the improvement of road networks within our area including unblocking the unfinished projects.

This report offers an overview of the extent of work and investment for the past financial year, and more importantly, of the positive outcomes that the Municipality has delivered over the past financial year to achieve **63%** overall performance in the year under review.

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Nhlanhla Mdakane
Municipal Manager

1.2.1 SHARING OF FUNCTIONS WITH SECTOR DEPARTMENTS

DEPARTMENT OF AGRICULTURE AND RURAL DEVELOPMENT

Medium Term Expenditure Framework 2016-2019

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF 2016/2017			2019/20
			2016/17	2017/18	2018/19	
25	Mandalay Piggery	Planning			R4 822 203.00	R2800 000.00
25	Sugar-cane	Implementation	R800 000.00	R800 000.00	R800 000.00	
25	Barro Framers Co-operative	Planning			R 650 000.00	
3	Masibambisane Project (construction of two 30m xW 8m Tunnels)	Planning				R364 136.00

DEPARTMENT OF HEALTH

MEDIUM TERM EXPENDITURE FRAMEWORK 2016-2019

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF 2016/2017		
			2016/17	2017/18	2018/19
19	Stanger Hospital –New Labour and Neo-Natal Ward	Implementation	R7 358 000.00		
10	Groutville Clinic –Replacement of clinic phase 9	Design	R27 346.00		
19	KwaDukuza Clinic- installation of 10 kl high level section water tanker	Pre-hand over	R463 000.00		
19	Stanger Hospital replacement of theatre/ ward chillers	Design	0		
6	Ballito clinic installation of 10kl high level section water tank	Pre-handover	R463 000.00		
5	Nandi clinic installation of 10 kl high level section water tank	Pre-handover	R463 000.00		
22	Shakaskrasal clinic installation of 10 kl high level section water tank	Pre-handover	R463 000.00		
10	Groutville clinic installation of 10 kl high level section water tank	Pre-handover	R463 000.00		

SEMBICORP

MEDIUM TERM EXPENDITURE FRAMEWORK 2016-2019

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF 2016/2017		
			2016/17	2017/18	2018/19
Various areas (6,22,11)	Raise and replace meters	Pre-Planning		260	
Shakashead & Etete (4,7,20)	Removal and Installation of Standpipes	Pre-Planning		200	
Various areas (4,7,8,20,23)	Raise and replace Sewer Manholes	Pre-Planning		380	
Salt Rock (22)	Installation of Gravity Sewers in 4 Phases	Pre-Planning		2500	
Santorini & Honolulu (22)	Gensets for SPS	Pre-Planning		350	
Ballito (6)	Installation of Isolation Valves, Compensation Beach Road, Ballito	Pre-Planning		200	
Ballito (6)	Upgrade of 450m of 110mm Upvc Water main, Michelle Street, Ballito	Pre-Planning		180	
Salt Rock (22)	Relocate 350m of 160mm sewer mains, Garland Road, Salt Rock	Pre-Planning		500	
Ballito (6)	Relocate 650m of 160mm sewer mains, Ballito Business Park (Which Road)	Pre-Planning		500	

MEDIUM TERM EXPENDITURE FRAMEWORK 2016-2019.....CONTINUED

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF 2016/2017		
			2016/17	2017/18	2018/19
Shakaskraal (22)	New Pumps, Electrical Panel & Security Fencing, Shakaskraal SPS	Pre-Planning		555	
Zimbali (6)	Access Roads for SPS, Zimbali Lakes	Pre-Planning		100	
Sheffield (22)	Replace portable PH Conductor Meter, Sheffield WWTW	Pre-Planning		12	
Ballito (6)	Upgrade of 450m of 160mm Upvc Water main, Elizabeth & Madeleine Roads, Ballito	Pre-Planning			600
Salt Rock (22)	Upgrade of 700m of 110mm Upvc Water main, Murray Crescent, Salt Rock	Pre-Planning			525
Tafeni (22)	Access Road & Security and Fencing, Tafeni	Pre-Planning			250
Frasers WWTW (6)	Replace supernatant Pump, Frasers WWTW	Pre-Planning			25
Frasers WWTW (6)	Extension of Workshop, Frasers WWTW	Pre-Planning			300

DEPARTMENT OF EDUCATION

MEDIUM TERM EXPENDITURE FRAMEWORK 2016-2019

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF 2016/2017		
			2016/17	2017/18	2018/19
2	Madundube	Design			
4	R A Padayachee (Storm Damage)	Implementation			
16	Stanger P S (Storm Damage)	Implementation	2 000	2 000	
11	Inkosi Albert Luthuli S S (Upgrades & Additions	Implementation	10 000		
20	Tinley Manor(Phase 2) Upgrades & Additions	Planning	5 000	20 000	10 000
4	Chief Ngonyama S S (Technical High Schools)	Completed	1 000		
8	Shakaskraal Agricultural School (Agricultural Schools)	Design	1 000	10 000	10 000
16	Stanger S S (Repairs & Renovations)	Design	2 000	10 000	10 000
13	Glenhills S S (Repairs & Repairs)	Design	1 000	5 000	5 000
1	Nyakana P S (Maintenance)	Design	1 000		
2	Darnall P S (Maintenance)	Design	1 000		
18	Tshelenkosi S S (Maintenance)	Design	1 000		
14	Lloyds P S (Maintenance)	Design	1 000		
11	Enkukwini P S (Fencing)	Implementation	33		
15	Imbewenhle P (Fencing)	Design	154,00		

UNGUNI WATER

Medium Term Expenditure Framework 2016-2019

WARD NO	PROGRAMME & PROJECT DESCRIPTION	PROJECT STAGE	MTEF (2019-2021)		
			2019/2020	2020/2021	2021/2022
8, 11	Maphumulo Bulk Water Supply Scheme (BWSS) Phase 4. See Section 11.5.2 (c) in the Umgeni Water Infrastructure Master Plan 2018/2019.	Design	R200 000 000	R 0.00	R 46 500 000

1.2.2 STATEMENT ON PREVIOUS FINANCIAL YEAR'S AUDIT OPINION

Below is an analysis of the key findings in the 2018/19 audit opinion and the measures taken to address these findings during the 2018/19 Financial Year.

It is with great pride that we make mention that KwaDukuza Municipality has received its 13th consecutive unqualified audit report for the 2018/19 financial year with findings on the following matters:

Uncertainty relating to the future reimbursement of bulk electricity supply costs

- ▶ With reference to note 38 to the financial statements, the municipality has entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result had been made in the financial statements.

Material losses – electricity

- ▶ As disclosed in note 52 to the financial statements, material electricity losses of R 115.1 million (2017-18: R96.23 million) were incurred, which represents 18.05% (2017-18: 16.36%) of total electricity purchased. Technical losses were due to transmission/distribution losses while non-technical losses were mainly due to illegal connections.

Underspending of the Capital Budget

- ▶ As disclosed in the Statement of Comparison of budget and actual information, the municipality materially underspent on its capital budget by R64.96 million which represents 30% of the total capital budget. The main reason for the underspending was the delay in finalising of procurement processes for capital projects.

Expenditure Management

- ▶ Reasonable steps were not taken to prevent irregular expenditure amounting to (restated) R141.77 million (2016-17: R247.82m) as disclosed in note 49 to the annual financial statements, as required by section 62(1) (d) of the MFMA.

Procurement Management

- ▶ Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by Supply Chain Management (SCM Regulation 19 (a)). Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1).

Consequence Management

- ▶ Fruitless and Wasteful expenditure incurred by the municipality was not investigated to determine whether any person is liable for the expenditure, as required by Section 32 (2) (b) of the MFMA.

Use of Conditional Grants

- ▶ The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by Section 17 (1) of DORA.

During the 2018/19 Financial Year the municipality had monitored measures that were implemented to address the issues raised above.

These include:

- ▶ An establishment of a task team to review all refundable developers' contribution agreements.
- ▶ A review of all assets constructed and donated relating to the Developers Contribution Agreements was completed in the 2018/19 Financial Year.
- ▶ Energy losses were dealt with at various committees including Finance Portfolio Committee, MANCO and Revenue and Debt Steering Committee and various strategies were implemented. These included but were not limited to all bypassed meters, faulty meters, meter tampering and illegal connections were reported to the Electrical Business Unit for rectification.
- ▶ Revised Bid Committee and Reporting processes were implemented to improve the expenditure in the 2018/19 whilst remaining legislatively compliant.
- ▶ SOP's to guide the prevention, detection and reporting of Unauthorised, Fruitless and Wasteful (UIFW) Expenditure have been developed and pending consultation with management, will be adopted for implementation.
- ▶ All long outstanding matters relating to UIFW have been submitted to MPAC for investigation and escalation to Council.
- ▶ Recognition of Prior Year Expenditure for MIG had ceased upon the finding by the Auditor General thereby assisting towards achieving compliance in terms of Section 17 (1) of DORA

1.2.3 CURRENT FINANCIAL HEALTH OF THE MUNICIPALITY

It is of vital importance that the municipality has adequate sources of revenue, from both its own operations and intergovernmental transfers, to enable it to carry out its functions. The Division of Revenue Act (DORA) has laid out the level of funding from National Government that will be received for the 2019/2020 to 2021/2022 MTREF. The financial health of the municipality is discussed in further depth according to the below categories:

Cash/Liquidity Position

Cash management is crucial for the short and long-term survival and good management of the organization. To assess the liquidity of the municipality, a current ratio will be used; this ratio expresses the current assets as a proportion to current liabilities. A current ratio of 2:1 and greater is considered to be healthy. KwaDukuza's audited current ratio for the 2018/2019 financial year is 2.36:1. The acid test ratio (which excludes inventory from the current ratio) is 2.35:1. These ratios are within the norm and are indicative of a good liquidity position. However, it must be stressed that certain expenses and income are cyclical in nature and a reduction of this ratio is generally experienced in the first and second quarter of the financial year.

► **Sustainability**

The municipality must ensure that the budget is balanced, funded and credible. Revenue must exceed expenditure. Services provided at all levels should be affordable. However, subsidies need to be made available to the indigent households who cannot afford to pay for basic services. Total assets exceed the total liabilities of the municipality and the municipality is a going concern.

► **Accountability, Transparency and Good Governance**

The budget process and other financial decisions are open to public participation. It is critical that accurate information is produced within acceptable time-frames. KDM remains accountable to the community who provides the financial resources through either payment of rates and tariffs, or services. The actual in year outcomes are reported to the Finance Portfolio Committee, Budget Steering Committee and Council on a monthly and/or quarterly basis to ensure adequate oversight. These reports are published on the municipal website and also subject to continuous engagements by Provincial Treasury.

► **Equity and Redistribution**

KwaDukuza Municipality must treat people fairly and equitably when it comes to the provision of services, just as KwaDukuza Municipality expects to be treated equitably by the national and provincial government when it comes to inter-governmental transfers. KwaDukuza Municipality must ensure that redistribution is in line with the IDP. Detailed consultation occurs via various IDP and Budget platforms to ensure the budget is not only funded but also meets the needs of the community.

1.2.4 REVENUE TREND BY SOURCE INCLUDING BORROWINGS

Long term loans bear interest at 9.73% to 10.43%. The costs of borrowings have a definite impact on the budget. It is expected that regular marginal increases in rates can be expected throughout 2019/2020 to 2021/2022 MTREF. Of the adopted capital budget for 2019/2020 of R316 284 807.30, R 30 M is to be funded by borrowings. Cost of borrowings has been provided for in the municipal budget in the Medium-Term Revenue and Expenditure Framework.

KwaDukuza Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable interest rates. Failure to pay any loan instalment will have severe repercussions, and may jeopardize the municipality's credit rating.

In addition to the timeous repayment of the loans, the municipality should adhere to the covenants stipulated in the loan agreements and the under-mentioned are some examples of typical covenant requirements:

- Furnish audited annual financial statements timeously
- Reporting of material changes in the financial position of the municipality
- Material changes in the functions, power and duties of the municipality

The municipality has developed a Borrowing Framework Policy and Guidelines. The objective of the policy is to limit interest rate and credit risk exposure; to maintain debt within specified limits; ensure

adequacy for the repayment of debt and to ensure compliance with all Legislation and council policy governing borrowing of funds. The primary goal in the borrowing of funds is to leverage finance at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

The scope of the policy includes:

- Risk – The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits.
- Cost of Borrowings - should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions.
- Prudence - Borrowings shall be made with care, skill, prudence and diligence.
- Ownership - All loans must be in the name of KwaDukuza Municipality.

In accordance with the above, KwaDukuza has met all loan obligations and covenants in a timely manner.

The scope of the policy includes:

- Risk – The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits.
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- Ownership - All loans must be in the name of KwaDukuza Municipality.

In accordance with the above, KwaDukuza has met all loan obligations and covenants in a timely manner.

1.2.5 ASSESSMENT BY THE ACCOUNTING OFFICER ON ARREARS

Total debtors as at 30 June 2019 are made up as follows:

DESCRIPTION	TOTAL DEBT R'	PROVISION FOR IMPAIRMENT R'	PROVISION FOR IMPAIRMENT R'
Long term receivables	3 887 911	(3 264 855)	623 056
Current portion of long-term receivables	18 509	0	18 509
Receivables from Exchange	153 016 114	(49 675 158)	103 340 956
Receivables from Non-Exchange Transaction	273 246 595	(168 748 798)	104 497 796
TOTAL	430 169 129	(221 688 812)	208 480 317

Total net debtors amount to R208 498 826 as at 30 June 2019 representing a 3.89% increase since 2018 (R200 682 430).

The increase in debtors of approximately R7.80m over the reporting period is attributable to the following:

- As part of the revenue enhancement exercises conducted by the municipality, various additional billings for service charges were undertaken prior to year-end. The unpaid accounts relating to these are reflected a debtors and subject to Council's Credit Control procedures.
- The effects of tariff increases. The electricity tariff hikes introduced by Eskom and approved by NERSA was a contributing factor for the increase in electricity debtors.
- The current economic recession climate.

- Increase in the traffic fine debtor accounted for in terms of iGRAP1

The increase in the level of debt did not negatively impact upon service delivery as the Council had sufficient cash reserves in order to meet all its financial obligations. However, Council will maintain efficient debt collection and credit control systems and procedures. The importance of this function is heightened when one considers the challenging economic climate facing the country.

1.2.6 ASSESSMENT BY THE ACCOUNTING OFFICER ON PERFORMANCE OF REVENUE COLLECTION

% Debt collection rates as at 30 June 2019

% DEBT COLLECTION RATE	PERFORMANCE TARGET	BILLING	PAYMENTS	COLLECTION	VARIANCE
Electricity	90.00%	R541 700 452.90	R536 254 731	98.99	Target exceeded by: 9.99%
Rates	90.00%	R455 029 201.74	R432 108 351	94.96	Target exceeded by: 5.51%
Refuse	90.00%	R59 227 532.50	R55 699 352	94.04	Target exceeded by: 4.49%

Revenue collection has exceeded targets however as indicated above the current recessionary economic climate will hamper debt recovery efforts in the future

1.2.7 RISK ASSESSMENT, INCLUDING DEVELOPMENT AND IMPLEMENTATION OF MEASURES TO MITIGATE THE TOP 20 RISKS:

1. Infrastructure: Maintenance- Inability to maintain Municipal roads.
2. Infrastructure: Storm water Management Planning- Poor storm water management
3. Civil engineering and Human Settlement: Planning: Housing Provision- Lack of timeous delivery of houses to the community
4. Maintenance: Infrastructure- Inability to perform preventative and routine maintenance of Infrastructure and street lights.
5. Electricity: Dukuza bulk electricity point of supply sub-station - Bulk electricity point of supply.
6. MFMA: Compliance- Non-compliance to the MFMA in terms of irregular expenditure
7. Liquidity risk- Liquidity risk
8. Community Safety: Testing operation- Inadequate testing operational management
9. Community Safety: Law enforcement administration- Ineffective Law enforcement administration
10. IT - Disaster Recovery- Failure to recover data and systems efficiently and effectively in the event of disruptions.
11. IT: Network Security- Threat to network solution
12. Business Process Mapping - Failure to map business process
13. Economic development and planning: Development Planning- Inability to manage illegal developments
14. Economic Development and Planning: Local Economic Development- Exclusive economic growth
15. Governance: Clean Audit/Clean Administration- Failure to achieve clean audit and clean administration
16. Strategic planning: Performance Monitoring and Evaluation- Failure to implement credible performance monitoring and evaluation
17. Governance: Legal services-Ineffective Legal Services
18. Community services: Cemeteries and crematorium Management- Non-compliance with laws and regulations
19. Youth and Sports Development- Lack of mainstreaming of youth development by internal business units
20. Youth and Sports Development-Weak Sports Federations for the unpopular sports (i.e. boxing, athletics, chess etc)

RESIDUAL RISK EXPOSURE	RESIDUAL RISK EXPOSURE	PROPOSED ACTIONS	RISK VALUE
Critical	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention.	> 60
Major	Unacceptable	Take action to reduce risk with highest priority, accounting officer/chief executive officer and executive authority/accounting Authority attention.	> 35 ≤ 60
Moderate	Unacceptable	Take action to reduce risk, inform senior management.	> 20 ≤ 35
Minor	Acceptable	No risk reduction - control, monitor and inform management	> 10 ≤ 20
Insignificant	Acceptable	No risk reduction - control, monitor and inform management.	≤ 10

Table 7: Risk values to risk exposures

1.3. ELECTRICITY DISTRIBUTION

The KwaDukuza municipality's predominant source of energy for lighting is electricity followed by candles.

Municipality	Electricity	Gas	Paraffin	Wood	Coal	Animal dung	Solar	Other
KwaDukuza	85.20%	3.50%	5.90%	4.90%	0.10%	0.00%	0.20%	0.20%
Ward 1	60.70%	2.80%	8.30%	27.70%	0.20%	0.10%	-	0.10%
Ward 2	90.40%	2.90%	6.00%	0.40%	-	-	0.30%	-
Ward 3	68.50%	5.40%	12.50%	13.30%	0.20%	-	0.10%	0.10%
Ward 4	90.30%	1.10%	8.30%	0.20%	-	-	0.10%	-
Ward 5	90.80%	0.70%	4.30%	3.70%	0.10	-	0.30%	0.00%
Ward 6	85.70%	10.70%	0.10%	1.00%	-	0.00%	0.10%	2.40%
Ward 7	83.80%	1.70%	5.80%	8.30%	0.10%	0.10%	0.10%	-
Ward 8	96.00%	0.50%	2.60%	0.70%	0.10%	-	0.10%	-
Ward 9	89.20%	0.50%	4.20%	5.90%	0.10%	-	0.10%	-
Ward 10	92.80%	1.30%	4.30%	1.40%	0.10%	-	0.10%	-
Ward 11	80.30%	4.00%	10.40%	5.10%	0.10%	-	0.00%	0.00%
Ward 12	86.00%	6.60%	6.30%	0.80%	0.10%	-	0.20%	0.00%
Ward 13	77.90%	3.10%	15.90%	2.60%	0.10%	0.00%	0.30%	0.20%
Ward 14	96.60%	0.20%	2.00%	0.80%	0.10%	-	0.20%	0.10%
Ward 15	87.70%	1.90%	8.90%	1.40%	0.10%	0.10%	0.10%	0.00%
Ward 16	86.90%	3.80%	5.30%	3.60%	0.10%	0.00%	-	0.30%
Ward 17	87.80%	5.90%	0.90%	4.90%	0.10%	-	0.20%	0.30%
Ward 18	93.50%	0.20%	5.90%	0.20%	-	-	0.20%	-
Ward 19	93.90%	2.30%	1.90%	0.40%	0.10%	0.00%	0.20%	1.10%
Ward 20	85.70%	1.40%	6.80%	5.30%	0.20%	0.10%	0.40%	-
Ward 21	60.00%	2.50%	13.40%	23.70%	0.00%	0.00%	0.20%	0.00%
Ward 22	82.70%	13.40%	1.20%	2.20%	0.10%	-	0.20%	0.30%
Ward 23	96.60%	0.20%	1.60%	1.00%	-	0.10%	0.40%	0.10%
Ward 24	87.90%	6.10%	4.60%	0.90%	0.30%	-	0.20%	-
Ward 25	74.90%	2.30%	5.10%	17.50%	0.10%	-	0.10%	-
Ward 26	86.40%	0.50%	9.50%	3.30%	0.10%	-	0.20%	-
Ward 27	66.40%	2.60%	7.00%	23.60%	0.10%	-	0.30%	-

Table: Energy mostly used for cooking (stats SA Census, 2011)

1.3.1 LOCAL ECONOMIC DEVELOPMENT OPPORTUNITIES AND GROWTH

The Local Economic Development Unit is tasked to implement the objectives of promoting economic development. Therefore, KwaDukuza strives to improve the economy, stimulate jobs, and improve poverty and ensuring a balanced dissemination of wealth for all KwaDukuza residents. In line with KwaDukuza Integrated Development Plan (IDP), the economic development function has two strategic objectives to fulfil:

- Positioning KwaDukuza as preferred tourism and investment destination,
- Developing a prosperous, inclusive, transform and diverse local economy,

To achieve this strategic vision, the unit engages in various initiatives such as enterprise and sector development, provision of access to information and market opportunities, investment promotion and facilitation, facilitating strategic collaborations with LED actors, stimulating the development of priority economic sectors through business support services and building a thriving tourism industry. The priority projects undertaken during 2018/2019 focussed continuation and strengthening of existing initiatives with few new initiatives. The EDP Business Unit has achieved several good results, which relates to investment facilitation, sector development and partnerships with other stakeholders.

Below is the report of highlighting activities for the 2018/2019 period as follows:

1. BUSINESS LICENSING

KwaDukuza Municipality was officially appointed by the MEC for Economic Development, Tourism and Environmental Affairs on 12 July 2018 (Provincial Gazette), as a Licensing Authority for the jurisdiction of KwaDukuza to undertake licensing of businesses, subject to the Business Licencing Act 71 of 1991.

The objective of this function is to provide an effective Licensing services within the KwaDukuza for the sale and supply of meals, entertainment or health facilities and accommodation establishments, in alignment with the Businesses Act 71 of 1991. The functions involve the following:

- Processing and issuing of business license applications within the legislated period
- Conducting education and awareness workshops.
- Conducting compliance site visits to different businesses to monitor and enforce compliance with the legislation

KEY INITIATIVES IMPLEMENTED

- Amendment of pre scheme rules to accommodate township and rural-based businesses which enabled the issuing of 14 new licenses under pre-scheme areas.
- Successful licensing of efficient processing of 84 business licenses applications within the prescribed time frames.
- Conducting 4 successful joint compliance inspection in collaboration with The Inspections comprised of staff from the following sections, Building Control, Town Planning, Business Licensing, Community Safety, iLembe Environmental Health and the KwaDukuza SAPS.

VUTHELA ILEMBE LED PROGRAMME

The iLembe District Municipality, including KwaDukuza and Mandeni Local Municipalities, were selected by SECO to participate in this initiative that adopts a programmatic approach towards Local Economic Development (LED) and infrastructure development. The rationale for our selection was primarily based on the fact that we are located within a key growth corridor in the province and the challenges presented by rapid urbanization, particularly in KwaDukuza and Mandeni. The programme is aimed at providing technical assistance, capacity development support, and funds for selected activities in public finance management, municipal infrastructure and LED focus areas within iLembe. Some of the key performance indicators of the programme include Public Financial Management, Municipal Infrastructure, Private Sector Development, Value Chain Development, Partnership and Cooperation. During the 2018/19 financial year, a number of programmes were initiated (some ongoing) which include the following:

- A. Private Sector Development: Development Application Process Reforms
- B. Public Financial Management: Conduct a Supply Chain Management Skills Audit

The focus below is on A) which talks to reforms that have implemented relating to development application processes.

A. DEVELOPMENT APPLICATION PROCESS REFORMS

In terms of background to the reforms that have been introduced, the municipality conducted an extensive study to identify challenges in obtaining construction permits in the KDM. The outcome of the audit indicated that the Development Planning applications with a focus on building plans which had an average annual referral rate of 90%. The data that was used in the study was of 2017/2018 fiscal year which is between July 2017 and June 2018. The study was not exclusive to building plans processes but also Town Planning applications which also indicated lengthier turn-around times in processing and issuing of an application decision. The Development Planning processes which comprise of Site Development Plans (SDP), Relaxation applications, Building Plans, and Occupation Certificate applications have been re-aligned for more efficient and effective processing which was informed by the proposed construction permits reforms. Some of the interventions introduced as part of the process include the following:

1. BUILDING CONTROL ACTIVITIES:

1.1. Capacity Reinforcement: at pre-scrutiny stage, dedicated officials are deployed each day for both town planning and building control. It must be noted that the introduction of the capacity reinforcement has greatly assisted in that both the pre-scrutiny for the respective departments are conducted and issues are identified and communicated to the Applicant prior to the formal acceptance of an application.

1.2. Pre-Scrutiny Forms: The pre scrutiny forms have been revised for both Building Control and Town Planning and the revisions provide more details in terms of basic information that is mandatory as part of the pre-plan assessment. The pre-scrutiny form (available on website) is completed by the applicant and verified by the relevant officials when they submit the application. Building Plans that do not meet the minimum requirements as stipulated in the checklist are not accepted in the system and relevant stakeholders are been advised accordingly.

1.3. Compliance Certificates: some of the certificates that are completed by applicants, contractors and/or developers have been updated to include important information and the added information is aimed at promoting compliance.

1.4. Use of Colour paper: In order to mitigate against fraudulent documents, the municipality has introduced and implemented colour paper for important documents such as approval letters and Certificates of Occupation.

1.5. Checklists: In order to assist applicants / clients, the municipality has put together a list of checklists that relevant departments use when assessing building plan applications. These checklists reflect basic information that we look for. The said documents have been made available on both the municipal website and submission counters of both regions.

1.6. Submission confirmation Certification: To ensure the receipt of all Building Plan Applications submitted, a plan submission confirmation form is date stamped with an original copy given back to the Client and a copy retained by the municipality for record keeping and statistics purposes.

1.7. Attendance Register: All Clients visiting the Submission Counters are required to sign an attendance register outlining their reasons for the visits. These attendance registers are kept at submission counters the relevant stats are analysed for further interventions going forward.

1.8. Inspections: The department is looking at reducing the number of building inspections to be carried out by our Building Inspectors from the current seven (7) to approximately three (3). Some of the inspections that are anticipated to be mandatory are commencement and trench inspection, open drainage inspection and final/completion inspection. Whilst it is anticipated that the number of inspections will decrease, there has been compliance certificates that have been added as prerequisites for the issuing of Certificates Occupation, e.g. Plumbing Industry Registration Board (PIRB): Plumbing Certificate of Compliance. The Department also plans to do away with the manual requests for inspections and go digital and this initiative will save the Clients a great amount of time and money.

1.9. High Impact Development Application Inspections Process: The submissions are accepted at the submission counter and a joint inspection is carried out by all members of the Development Assessment Committee (DAC) that is formed by the commenting departments such Health, Civil, Electrical, Fire. A seating takes place after the inspection to consolidate all inspection findings. A decision is communicated to the Applicant immediately after the sitting rather than wait for individual departments to conduct their own inspections and thereafter provide clearance to the Economic Development and planning Business Unit.

1.10. Revised Minor Building Works Process: The National Building Regulations (NBR) provide a list of minor building works that can be approved by the Building Control Officer (BCO) if they comply with this list as provided in the same document. Previously such plans would follow normal process but the municipality has decided not to follow the normal 30/60 days' system when processing such applications. The current process is such that the Applications for minor building works are processed by the administrators and subsequently forwarded to the Building Control Officer (BCO) for consideration and approval.

2. TOWN PLANNING ACTIVITIES:

2.1. Site Development Plan (SDP) applications: The Pre-Reform Process as per the SPLUMA By-Laws is such that the Applicant would obtain comments from various departments (60 days). A formal application was lodged and assessed by the Registrar. The Registrar had to refer the SDP to the Authorized Officer (AO) within 60 days and the said official had 60 days to make a decision. The SDP was previously approved within 180 days. The new reforms that have been piloted during the second quarter of 2018/19 are such that the Applicant lodges formal SDP application to Council and the Town Planner will circulate the SDP application to the various departments (within 1 week) for comments. The Departments will bring their comments to the Development Assessment Committee which sits every 3 weeks or as and when required. A decision (referral/approval) will be taken at the DAC sitting and the aim is to have the SDP approved within 30 days so that developers can submit their building plans for approval.

3. STAKEHOLDER ENGAGEMENT SESSIONS:

The Department has decided to conduct ongoing Stakeholder Engagement Sessions per annum with the Clients/Architects and Town Planners. As part of the interventions that have been introduced, the department has had on-going sessions with Clients/Developers/Applicants during the course of the financial year. Two extended Stakeholder Sessions were held during the second of the financial year. These were attended by our clients i.e. developers, architects, town planners, surveyors, etc. together representatives of the Ilembe Chamber of Commerce and Trade and Investment KwaZulu Natal (TiKZN). The purpose of the sessions was to present the implemented changes and get input from relevant stakeholders as well as discuss issues of concern from the clients. Over and above the two sessions, the department also held a focused group with Architects in particular about issues of concern as well as outline some of the issues that we are identifying as part of our business processes. There has been great feedback from the Clients as they are content with the initiatives and progress made by the Municipality and the aim is to have these engagements on an ongoing basis for future.

4. CHALLENGES

Some of the key challenges that have been identified that need to be addressed include the following, amongst others:

- a) No adequate venue for the on-going sessions with stakeholders due to an increased number of Developers, Professionals and any interested members.
- b) Identified skills gaps amongst officials
- c) Inadequate resources for the implementation of reforms especially related to capacity reinforcements
- d) In certain instances, some of the Development Assessment Committee Members are not been attending sittings which leads to delayed decision making. However, this has been brought to the attention of the Municipal Manager who is addressing it with the relevant executives. Also, Service Level Agreement will be entered into with business units outlining the timeframe by which comments should be received.
- e) The absence of a one stop shop for the development planning applications. However, the DAC is trying to address this aspect by ensuring that departments attend under one roof to make decisions related to development applications.

2. ENTERPRISE AND SECTOR DEVELOPMENT PROGRAMMES

2.1. EMERGING CONTRACTORS PROGRAMME

The primary objective of this programme is to promote inclusive participation of emerging contractors in the built environment within KwaDukuza Municipal Area. The programme is supported through range of interventions, in particular technical trainings to emerging contractors.

Thirty (30) emerging contractors were trained in Construction supervision Training NQF Level 4. The training took place from September to November 2018 (3 months) was fully funded by Construction CETA to the value of R405 000. The training covered both theoretical and practical assessments. Thirty contractors completed the training successfully and were all awarded with accredited certificates.

2.2. COOPERATIVE DEVELOPMENT PROGRAMME

The programme is designed to provide support to promote sustainable and productive cooperatives specialising in agriculture and other sectors. The main objective is to improve capacity and quality of products and services rendered as well as providing business support services. Various capacity building initiatives were conducted and as a result 62 cooperatives were capacitated.

Projects implemented 2018/2019

- Six (6) Cooperatives participated in the training and application for NYDA Voucher Programme.
- Twenty (20) cooperatives attended the capacitation workshop with UKZN and Enterprise iLembe
- Twelve (12) cooperatives supported by the Department of Agriculture during the Traditional Food Day.
- 24 Cooperatives workshopped for access to market workshop.

2.3. INFORMAL TRADE AND MARKETS

The main objective of this programme is to promote informal trading businesses within KwaDukuza. Various business support activities are being undertaken to ensure compliance with relevant by-laws and trainings.

a) Digitalisation of informal trading permits

A specialised printing machine valued at R85 000 was purchased to assist in speeding up the issuing of permits and as a precautionary measure against any fraudulent activities. More than 500 informal traders received their new cards during September 2018.

b) Infrastructure Provision

- Renovation of the Shakashead Business Hive where 15 traders are allocated to sell their products and interact with the customers. The overall costs of the renovations amounted to R150 000.
- The renovation of the Groutville Market was undertaken in order to provide conducive trading spaces to about 9 traders. The overall renovation costs amounted to R100 000.
- New Trading Facilities were constructed in Hawkins Car Park at Willard's Beach housing 10 informal traders. Hawkins

Car Park was identified as one of the most strategic area within KwaDukuza Beach Node with ample of visitors and with a poor condition that needed urgent attention. The old structure was dilapidated and had to be demolished to build a new structure for efficient trading services. The cost of the new structure was valued at R200 000.

c) Training of informal Traders

Various trainings were conducted which includes Food Safety Training, Traffic Rules, enforcement of regulations procedures and By-laws with close to 500 traders benefiting. The objectives of such exercises are mainly to build capacity of the traders from various areas within KwaDukuza. Also, to ensure compliance with relevant policies governing informal trading sector.

2.4. BUSINESS DEVELOPMENT WORKSHOPS/SESSIONS

Local Economic Development creates an enabling environment which affords aspirant, emerging and established businesses with skills to start and sustain their businesses. Therefore, massive array of business development workshops are continuously executed to assist local communities to rise-out of poverty and engage in income generating activities. These initiatives incorporate access to finance and markets, entrepreneurial skill development and empowering the start-up of small businesses.

KwaDukuza LED has hosted thirty-eight (38) Business Development Sessions which varies from information, networking sessions, handover ceremonies, workshops, trainings etc. Total number of 38 Sessions were conducted and were attended by 1505 SMME's including Cooperatives and vendors from different sectors i.e. construction, agriculture, manufacturing, tourism and services etc. The implementation of these sessions for 2018-2019 was coordinated and facilitated in partnership with the following stakeholders:

- National Departments such as Department of Tourism (NDT), Department of Trade and Industries (DTI) and Department of Agriculture, Forestry's and Fisheries (DAFF).
- Provincial Departments such as KwaZulu Natal Department of Economic Development, Tourism and Environmental Affairs (EDTEA), KwaZulu Natal Department of Cooperative Governance and Traditional Affairs (COGTA), Independent Development Trust (IDT), Trade and Investment KwaZulu Natal (TIKZN), Tourism KwaZulu Natal (TKZN).
- Government Agencies such as Small Business Development Agency – SEDA, National Youth Development Agency – NYDA, South African Revenue Services – SARS and Productivity SA.
- Enterprise iLembe, the District Economic Development Agency.
- iLembe District Municipality – Environmental Health
- iLembe Chamber of Commerce, Industry and Tourism
- Commercial and development banks such as ABSA, ITHALA, NEDBANK and Standard Bank.

2.5 EMERGING MANUFACTURING PROGRAMME

This programme provides technical and non-technical support to accelerate the development of emerging manufacturers.

Six (6) cooperatives fully trained in Upholstery and Furniture manufacturing were provided with working material worth R50 000 each Cooperative. The handover ceremony was organised and held

on 14 September 2018 at Vulingqondo Hall at Ward 25 and the beneficiaries were:

1. Baza Wood Master Primary Co-operative
2. Excel Furniture Primary Co-operative
3. Fassas Primary Co-operative
4. Make My World Furniture Primary Co-operative
5. Women in Power Upholsteries Primary Co-operative
6. Uguquko Logistics & Manufacturing Primary Co-operative

Handover ceremony for furniture manufacturing equipment at Ward 25 Vulingqondo Hall



2.6. ARTS AND CRAFT DEVELOPMENT PROGRAMME

Arts and Craft Sector is one of those sectors which provide valuable business character based on innovation and authenticity. This programme focuses on the development and promotion of sustainable arts and craft sector for the municipality.

Projects implemented 2018/2019

Product Development Training

Twenty-five (25) crafters were trained in product design, innovation and trends, colouration and production for the purpose of improved quality standards.

Beadwork Training session at KwaDukuza LED Centre



PARTICIPATION IN COGTA EPWP PROGRAMME

Five (5) cooperatives with a selection of only five members from each group were selected by the Department of Cooperative Governance and Traditional Affairs (KZNCOGTA). These cooperatives receive a stipend of R1200 each to produce craft related products and sell to generate profit for their own benefit. The programme is implemented

by IDT on behalf of KZN COGTA and benefits the following KwaDukuza-based Cooperatives:

- a) Ubuhle Cooperative (Ward 4)
- b) Isineke Cooperative (Ward 16)
- c) Bright Future Cooperative (Ward 11)
- d) Ithemba Lemvelo Cooperative (Ward 1)
- e) Phepho Cooperative (Ward 7)

- Business Networking Session which provided about 71 business owners with information and opportunity to network.

2.7. KWADUKUZA BUSINESS WEEK PROGRAMME

The Business Week is an annual strategic programme for KwaDukuza which takes place in November in line with the Global Entrepreneurship Week. The main objective is accelerating the development and promotion of small business so that they become motivated and sustainable businesses and entrepreneurs. The expected outcome is to create business linkages for local businesses through information sharing, promoting their products, networking and engaging in powerful discussions.

KwaDukuza Business Week was held from 26 to 30 November 2018. The five-day programme included following activities:

- Business Engagement Session hosted by Department of Trade and Industries, Dr Rob Davis, addressed more than 159 emerging and established businesses on issues affecting their operations and related interventions,
- Empowerment Workshops which are ward based and attended by 300 business people who gained access to information related to funding, programmes offered by local municipality i.e. SCM and business licensing.
- Business Seminar with Exhibition where 220 people participated to gain access to information on various businesses related topics and an opportunity to market their products.

Total number of 750 people including SMME's and Cooperatives participated in the KwaDukuza Business Week 2018.

2.8. KWADUKUZA LED-START UP PROGRAMME

KwaDukuza Municipality as part of its contribution to radical economic transformation has identified a need to provide start-up business support to emerging and start-up entrepreneurs. This annual programme serves as seed funding/support, which is mostly required by emerging and start up entrepreneurs, to kick start their desired dreams of contributing to economic development and mitigate unemployment, poverty and other related social ills.

Therefore, KwaDukuza Council allocated and approved the implementation of this programme in order to address what was faced by emerging business of inability to initiate their businesses due to funding or start up material. Seven (7) SMME's benefited from this programme in 2018/2019 as follows:

No.	COMPANY NAME	SECTOR	WARD	SUPPORT OFFERED
1.	KhethiBet Trading (Pty) Ltd	Manufacturing	29	Manufacturing equipment
2.	Groutville Primary Co-operative	Agriculture	12	Fencing & irrigation equipment
3.	Dumabesabe 16 Primary Co-operative	Agriculture	27	Fencing & irrigation equipment
4.	Ncebathe Enterprises Primary Co-operative	Agriculture	09	Fencing & irrigation equipment
5.	nsika yomuntu and Agricultural & Other Projects Co-operative	Agriculture	23	Fencing & irrigation equipment
6.	Gqokabantu Primary Co-operative	Agriculture	27	Fencing material
7.	Amaqahle Cleaning Services		10	Brush cutters & chain saw

Jubilant beneficiaries of the Mayoral LED Start-Up Programme 2018/2019 with His Worship, the Mayor and Councillors during the handover ceremony.



2.9. STRATEGIC PARTNERSHIPS PROGRAMME

This programme provides an opportunity to create business linkages and strategic partnerships with private and public stakeholders for the growth and sustainable development of SMME's including Cooperatives. KwaDukuza has successfully facilitated programs with various partners to access to markets and skills development challenges.

Programs implemented with **Balwin Foundation:**

- Fifteen (15) days training of 20 contractors in Entrepreneurship and Legal Compliance for Construction Contracts.
- Two (2) day financial literacy training for 20 contractors.
- Bricklaying Course implemented by Corobrick Avoca Hills Durban with 15 trainees and the training duration was two (2) months.
- Ten (10) days training on Building and Civil Administration Procedures for Construction Project where 20 contractors participated.

3. TOURISM MARKETING AND DEVELOPMENT

This entails marketing initiatives coordinated and implemented to promote KwaDukuza as a destination to local and international visitors.

3.1. TRADE AND CONSUMER SHOWS

KwaDukuza Municipality continues to market the area using various marketing platforms targeting international and domestic visitors. During the 2018/19 financial year, 12000 copies of brochures with a map were printed and distributed throughout the country using provincial Tourism KZN distribution networks and offices and during various shows. The municipality continues to use its tourism website to promote the area. The website is www.tourismkwadukuza.co.za

Events tourism has been a key focal point of marketing the area to both domestic and international markets. Our flagship event, Ballito Pro Surfing Event plays a prominent role in positioning our destination to international markets through various media coverage during and after the event. Nobel Race and Luthuli Legacy Walk and Fun Run, commemorates the life of our First African Nobel Laureate, Chief Albert Luthuli whilst promoting our rich and diverse heritage tourism assets.

3.2. TOURISM SAFETY MONITORS PROGRAMME

The National Tourism Safety Monitors Programme is one of the strategic programmes offered by the National Department of Tourism. The Programme seeks to enhance tourism safety awareness at key tourism attractions/sites and raise awareness and reduce the number of crime incidents that are directed at tourists who are visiting the province and the communities that host them. The Tourism Monitors Programme involves training, mentorship and deployment of unemployed youth in tourism attractions and sites.

Implementation of this programme has resulted in placement of 30 unemployed graduates to assist in safety and tourism information dissemination at ten (10) beach sites such as Blythedale Beach, Willard Beach, Salt Rock Beach, Tinley Manor Beach, Salmon Bay, Clark Bay, Zinkwazi Beach, Shakas Rock Beach, Sheffield Beach and Thompsons Bay

3.3. DEVELOPMENT OF NOKUKHANYA LUTHULI STREET TOURISM PRECINCT.

KwaDukuza Municipality has identified the development of the Nokukhanya Luthuli Street Tourism Precinct as a priority in unlocking township or inland tourism. This project is aimed in leveraging on the existing tourism product which is the national museum known as Luthuli Museum. The municipality is in the process of finalising the appointment of the service provider to undertake a feasibility study and a business plan for the development of this precinct.

3.4. HERITAGE ORIENTATED EVENTS

3.4.1. THE LUTHULI LEGACY WALK & FUN RUN

The Luthuli Legacy Walk & Fun Run has become an annual tourism event which celebrates the heritage and history of the first Nobel Prize Laureate. The event is owned and coordinated by Luthuli Museum working closely with KwaDukuza Municipality. Luthuli Museum is one of our anchor heritage tourism located in Groutville linked to the National Liberation Route.

KwaDukuza strives to support tourism events as they remain drivers in the promotion of local economy and tourism growth. Most tourism events take place along the coastline area particularly Salt Rock, Ballito etc. Therefore, Luthuli Walk and Fun Run event remains key and strategic in terms of drawing visitors to the hinterland area.

The event took place on Saturday 21 July 2018 which included the following activities:

- (i) Chief Albert Luthuli Golf Day (20 July 2018)
- (ii) Chief Albert Luthuli Fun Run (From KwaDukuza CBD to Luthuli Museum),
- (iii) Luthuli Commemorative Walk
- (iv) Memorial Church Service (22 July 2018)

KwaDukuza provided non-financial and financial support towards the successful hosting of this event. The event is gradually growing since its inception and was successfully attended by more than 1500 people.

3.4.2. THE NOBEL RACE

The Nobel Race is a regional cycling event that links various municipal areas as it starts from KwaDukuza Municipality and finished at Umgeni Local Municipality. The intention of this event enhances the Liberation Heritage Tourism Route which is promoted by our National Heritage Council. This was based on the principle and a business opportunity that this event will be linking the great heritage of the two Nobel Laureates, which are the late Chief AJ Luthuli and President Mandela.

The inaugural event took place on Saturday 7 July 2018 with a 52 km race. KwaDukuza Municipality provided financial support and technical support in a form of Traffic control services and other municipal personnel and resources to assist during the event.

4. INVESTMENT PROMOTION AND FACILITATION

The Unit has a responsibility of stimulating the local economy by playing a facilitative role to encourage economic growth and job creation. The strategic location of the municipality continues to be a competitive advantage for the area when it comes to the investment in our region. The municipality through its Development Planning Unit has continued to facilitate and supports investment in our region. During the year under the review, the following key projects have been approved and are already under construction.

Challenges

- Poor cooperation and lack of resources from other government departments and agencies responsible for economic development,
- High risks of investor leaving the area because of intimidation and violent takeover of construction site by the business forums.
- Lack of local employment pact,
- Lack of tourism product in the inland area,
- Lack of diversified investment in our area,
- Lack of affordable business facilities for SMME,
- No clear policies and strategies to manage the SMME Development and the economy,
- Lack of tourism sector transformation and tourism spread,
- Lack of Community Tourism organization,
- Lack of big vacant agricultural land to be used by cooperatives or for communal agriculture.
- Lack of land to build incubation centres and other facilities for business,
- Lack of presence of Small Business Enterprise development institutions within the area e.g. SEDA,

Future Focus – 2019/2020

- Superior focus on establishing new partnerships and linkages more than sustaining established relationships
- Formalizing the relationship with Sector Departments and Agencies responsible for LED through formal agreements,
- Develop a shared growth pact to address the threats posed by business forums and unemployed youth,
- Create an enabling environment for aspirant entrepreneurs and small business to tap on government and private sector contracts,
- Ensuring that skilled and competent staff are recruited where vacancies arise and also continue to provide necessary training for the existing staff to improve their capacity to handle the dynamic changing economic climate,
- Developed an integrated SMME Development Strategy,
- Formulate proper engagement structure with both established and emerging businesses/ entrepreneurs,
- Ensure that council provides affordable facility for small businesses and local landlords are also encouraged to give favourable rentals to local businesses.
- Facilitate the establishment of CTOs,
- Facilitate the establishment of the SEDA or any other SMME development institutions,
- Identify and acquire sites for small business site/incubation.

1.3.2 ORGANISATIONAL DEVELOPMENT OVERVIEW

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by 9 Heads of Business Units (Executive Directors/ ED's). Each Directorate is further divided into a particular number of sub-directorates headed by Directors and are as follows:

- ▶ **Chief Operations Office** which operates under the Office of the Municipal Manager responsible for good governance, incorporates Corporate Communications, Performance Monitoring and Evaluation, IDP & Public Participation, IGR & Protocol, Internal Audit, Legal Services and Special Projects
- ▶ **Finance Business Unit** incorporates Budget and Compliance, Supply Chain, Expenditure, Creditors and Direct Payments, Revenue, Rates/Housing/Sundry Debtors and Salaries.
- ▶ **Corporate Business Unit** incorporates Human Resources- Recruitment and Selection, Labour Relations, Employee Benefits, EAP, Health and Safety, Property Management, Council Support and Administration, Skills Development, ICT & ICT Governance
- ▶ **Electrical Engineering Business Unit** incorporates Electrical Engineering, Mechanical Workshop, Electricity Planning and Customer Care and Fleet Management Services.
- ▶ **Civil Engineering Services Business Unit** incorporates Roads and Storm Water management, Project Management, Buildings and Maintenance
- ▶ **Economic Development and Planning Business Unit** incorporates Local Economic Development, Human Settlements, Development Planning, Youth Development, Development Control and Building Control.
- ▶ **Community Services Business Unit** incorporates, Parks and Gardens, Beaches, Waste Management and Removal, Cemeteries & Crematoria and Community Facilities
- ▶ **Community Safety Business Unit** responsible for community safety in Traffic, Crime Prevention, Testing and Motor Licensing Administration, Fire and Emergency Services, Operations Control Emergency and Disaster Management.

- ▶ **Youth Development Business Unit** responsible for Youth and Sports development

1. CHIEF OPERATIONS OFFICER: MR. AM. MANZINI

Mr Manzini is responsible for providing good governance and strategic direction for the following areas:

- ▶ Corporate Communications
- ▶ Performance Monitoring and Evaluation
- ▶ Strategic Planning- IDP and Public Participation
- ▶ Intergovernmental Relations and Protocol
- ▶ Internal Audit
- ▶ Legal services
- ▶ Special Projects
- ▶ Expanded Public Works

2. ED: CORPORATE SERVICES: MR. SW. KUBHEKA

Mr Kubheka is responsible for staff matters in the following areas:

- ▶ Human Resource Management (Recruitment and Selection)
- ▶ Labour Relations
- ▶ Employee Assistance
- ▶ Skills Development
- ▶ ICT and Governance
- ▶ Property Management
- ▶ Council Support and Administration
- ▶ Health & Safety

3. FINANCE: SM RAJCOOMAR- CFO

The CFO is responsible for the financial performance and viability in the following areas:

- ▶ Budget and Compliance
- ▶ Revenue
- ▶ Income and Expenditure
- ▶ Supply Chain Management
- ▶ Creditors and Direct Payments

4. ED: ECONOMIC DEVELOPMENT & PLANNING : MR. SV. HLONGWANE

Mr Hlongwane is responsible for ensuring basic service delivery and performance in the following key areas:

- ▶ LED and Tourism
- ▶ Development Planning

- ▶ Environmental Management
- ▶ Youth Development
- ▶ Libraries, Museum and Heritage
- ▶ Sports Development
- ▶ Human Settlements
- ▶ Community Halls and Multi-Purpose Community Centre

6. ED: COMMUNITY SAFETY: MR. C. VIRAMUTHU

Mr Viramuthu is responsible for the strategic performance of the following key basic service delivery areas:

- ▶ Law Enforcement/Traffic Policing
- ▶ Crime Prevention
- ▶ Social crime prevention
- ▶ Motor Licensing and Testing Services
- ▶ Disaster Management
- ▶ Fire and emergency services

7. ED: ELECTRICAL SERVICES: MR. S. JALI

Council appointed MM to be responsible for the department who in turn assigned Mr Khanyile to be the caretaker responsible for the following basic service delivery functions in the following areas:

- ▶ Electrical Services
- ▶ Mechanical Workshop
- ▶ Electricity Planning and Customer Care
- ▶ Fleet Management

8. ED: CIVIL ENGINEERING SERVICES: MR.EM.SITHOLE

Mr Sithole is responsible for the strategic performance of the following key basic service delivery areas:

- ▶ Civil Services: (roads; storm water; sidewalks; traffic calming; commuter shelters)
- ▶ Project Management Unit
- ▶ Infrastructure Planning
- ▶ Building Maintenance



02

Political and Administrative Governance
Annual Performance Report



COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

2.1 POLITICAL GOVERNANCE

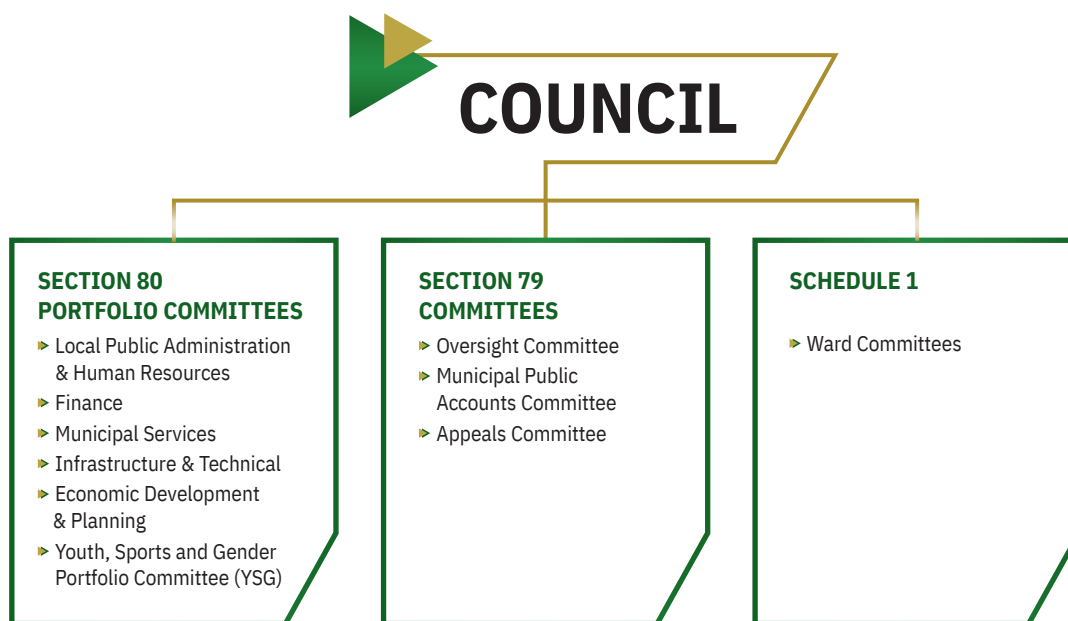
After the 2011 Local Government Elections, KwaDukuza Municipality's wards were increased from 20 to 27 wards while councillors increased from 37 seven to 54. KwaDukuza Council meets on a monthly basis

while the EXCO meets twice a month. Members of the public and media are also encouraged to attend some Council meetings. KwaDukuza Council's Portfolio Committees set policies and guidance towards the implementation of all KwaDukuza Council delivery.

These portfolio committees are structured as per the national guidelines. Each Portfolio Committee meets once per month. Their core function is to look at specific issues that relate to each portfolio committee, research those issues and find all the necessary facts before these issues are discussed by Councillors that sit in each of the portfolio committees. The portfolio committees deliberate issues and then make recommendations to EXCO and the full Council, for the latter to take decisions. The five portfolio committees, as gazetted, are as follows:

- ▶ Local Public Administration and Human Resource Portfolio Committee;
- ▶ Economic Development, Planning, Community Development and Housing Portfolio Committee;
- ▶ Amenities and Safety,
- ▶ Finance Portfolio Committee
- ▶ Infrastructure and Technical Portfolio Committee
- ▶ Youth, Sports and Gender Portfolio Committee (YSG).

GOVERNANCE FRAMEWORK IS AS FOLLOWS:



COUNCIL SITTINGS

The Council of KwaDukuza Municipality consists of 57 Councillors, 27 of whom were directly elected to serve on the Council. Membership of the Council is made up of: -

- a) 36 African National Congress Councillors;
- b) 4 Inkatha Freedom Party Councillors;
- c) 11 Democratic Alliance Councillors;
- d) 2 Economic Freedom Fighter Councillors;
- e) 2 Independent Party Councillors;
- f) 1 AIC Councillor; and
- g) 1 Al Jah Mah Councillor

TOTAL: 57 COUNCILLORS

To ensure compliance with the legislative requirement the Council meets at least quarterly. However, in order to meet compliance requirements in relation to such issues as Budget approvals, mid-term Budget Reviews, Adjustments Budgets, IDP Reviews, Annual Report and Annual Report

Oversight reviews, the Council effectively meets almost once every month. In order to optimise efficiency of operation the Council has reserved to itself decision making powers on certain critical and strategic matters - such as considering the results of the provincial government's monitoring of the Municipality, deciding whether to provide security for any of the Municipality's debt obligations and deciding to recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure. It has otherwise delegated to its Executive Committee power to exercise all powers of the Council in respect of matters not specifically excluded from delegation in terms of Section 160 (2) of the Constitution and Section 59 of the Systems Act.

In order to facilitate maximum participation by Councillors in the decision-making processes of the Council and its Committees, all Councillors are provided with copies of the agenda and minutes of all meetings of the Council, it's Executive Committee, its Portfolio Committees and its Sub-Committees and Task Teams

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EXECUTIVE COMMITTEE

KwaDukuza Municipality has established an Executive Committee consisting of 9 Councillors. Although the manner in which the composition of the Executive Committees should be determined is not prescribed by legislation, when establishing the Executive Committee, the Council was mindful of the provisions of Section 160(8) of the Constitution of the Republic of South Africa, which requires that:-

"Members of a Municipal Council are entitled to participate in its proceedings and those of its committees in a manner that: -

- a) Allows parties and interests reflected within the Council to be fairly represented;
- b) Is consistent with democracy; and
- c) Maybe regulated by national legislation."

In keeping with the requirements of that Section of the Constitution, the Executive Committee was constituted on the basis of proportional representation, giving the following membership: -

- ▶ African National Congress: 6 Councillors;
- ▶ Inkatha Freedom Party Councillors: 1 Councillor
- ▶ Democratic Alliance: 2 Councillors,

The Executive Committee holds ordinary meetings twice per month with additional special meetings being convened as and when necessary. The Terms of Reference of the Executive Committee require that, amongst other things, it: -

- ▶ Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998; Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government.
- ▶ Receives reports from other committees, and then forwards those reports, with its recommendations, to Council
- ▶ Performs the functions of an Executive Committee set out in the Local Government: Municipal Structures Act, 1998;
- ▶ Takes such action as may be necessary to ensure compliance by the Council with all legislation relating to or affecting local government.

PORTFOLIO COMMITTEES (SECTION 80)

KwaDukuza Municipality has established five Portfolio Committees to assist the Executive Committee, these being: -

- a) Finance Portfolio Committee;
- b) Infrastructure and Technical Portfolio Committee;
- c) Economic Development and Planning Portfolio Committee;
- d) Amenities, Safety and Security Portfolio Committee; and
- e) Local Public Administration and Labour Relations Committee.
- f) Youth, Sports and Gender Portfolio Committee (YSG).

Each of the Committees has defined terms of reference covering the whole range of the functions of the Municipality. The Portfolio Committees meet once per month and the recommendations of the Portfolio Committees are submitted to the meeting of the Executive Committee following the meeting of the Portfolio Committee. They are established in terms of Municipal Structures Act, section 80. Committees are established by Council, and members are appointed by Council, but do not report to Council. Portfolio Committees report to the Mayor or Executive Committee.

SUB COMMITTEES (SECTION 79)

They are established in terms of Municipal Structures Act, section 79. They are established by, and are responsible to Council. They may include members from outside the Council. Their functions and procedures are determined by Council.

The Council has also established Sub-Committees, including: -

- a) Budget and Audit Steering Committee;
- b) Local Labour Forum;
- c) Ethics Committee;
- d) Youth Sub-Committee;
- e) Gender Sub-Committee;
- f) Street Naming; and
- g) Human Resource Development Sub-Committee

These meet on a regular basis to develop strategies and approaches to address challenges in connection with their specific areas of expertise.

2.1.1 THE POLITICAL STRUCTURE



The Speaker: Cllr. RZP. Zulu

Councillor RZP. Zulu is elected as the Speaker of KwaDukuza Municipal Council in accordance with Section 36 of the Municipal Structures Act, and Section 160(1) (b) of the Constitution for the 2017 to 2021 electoral term. Her legal obligations are, amongst other duties:

- ▶ To preside at meetings of the council;
- ▶ Perform duties and exercise the powers delegated to the Speaker in terms of Section 59 of Local Government Municipal Systems Act;
- ▶ Ensure that the Council meets on a monthly basis,
- ▶ Ensure compliance of the Council and Council Committees with the Code of Conduct for Municipal Councillors
- ▶ She must maintain order during Council meetings;
- ▶ She must ensure that Council meetings are conducted in accordance with Standing Rules and Orders.

In line with the Municipal Structures Act Section 60 (1) (a) (b) (c); a municipal council that has more than nine members, its Mayor a) Must appoint a mayoral committee from among the councillors to assist the Mayor; b) May delegate specific responsibilities to each member of the committee; and c) May delegate any of the Mayor's powers to the respective members. All full-time councillors, except the Speaker and the Chief Whip, are members of the Mayoral Committee, with the Mayor as its chairperson. Members of the Mayoral Committee are the various Section 80 Committee Chairpersons.



The Mayor: Cllr. NR. Mthembu



Deputy Mayor: Cllr. G. Govender

The Mayor is elected by Council to co-ordinate the work of Council.

- ▶ He is the Political Head of Council.
- ▶ The Mayor performs functions and duties as set out in the legal framework for Municipalities.
- ▶ He also performs duties as delegated to him by Council.
- ▶ The deputy Mayor assumes the delegated duties of the Mayor in his absence



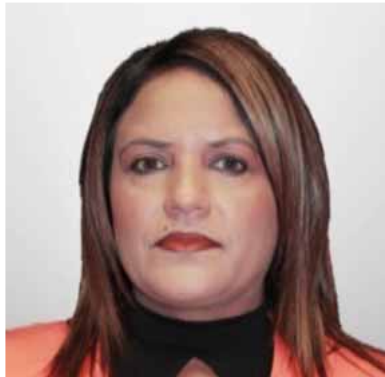
Chief Whip: Cllr. DW. Ndimande

The functions and duties of the Chief Whip amongst other things are to:

- ▶ Ensure that Councillors attend to their duties and are accountable to their constituencies;
- ▶ He assists Council with the deployment of councillors to various Council Committees;
- ▶ He gives political management of Council meetings.



Cllr. NR Khumalo- Exco Member



Cllr JA. Vallan - Exco Member



Cllr. TV. Ntuli - Exco Member



Cllr. MS. Sing - Exco Member



Cllr. JLT. Sibiya - Exco Member



Cllr. JS. Phahla - Exco Member

2.1.2 LEADERSHIP AND GOVERNANCE

The Council continued its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies. The following high-level goals and strategic objectives would guide the direction to be taken by the Council of KwaDukuza during the duration of their term of office.

KWADUKUZA HIGH LEVEL STRATEGIC OUTCOMES

KEY PERFORMANCE AREA	IDP STRATEGIC GOAL	IDP STRATEGIC OBJECTIVE
Municipal Transformation and Institutional Development	The formulation and Implementation of HRD Strategy Develop and implement priority skills development strategy Streamline administrative, property management and Council processes Review of Municipal Organogram IT Governance Improved quality of service delivery and strengthening democratic processes	To build capable and transformed institutional capacity To increase appointment of vulnerable groups within staff complement To invest in skills development To enhance organisational performance To ensure statutory compliance with financial management. (AFS) and MFMA To ensure statutory compliance with MFMA and MSA
Good Governance and Public Participation	Building a caring and sustainable local government that is responsive to the needs of the communities	To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government To involve local communities in matters of local government. To ensure effective and efficient integrated legal and advisory Legal Services for Council To provide effective and efficient Internal Audit services for Council To ensure compliance with the laws and regulations To enhance organisational performance To identify, assess and manage key risks of which organisation is exposed to To perform follow-ups on implementation of action plans To address oversight requirements of risk management and institution's performance with regards to risk management To ensure debt management through encouraging and synthesising with local communities to pay for services offered To ensure proper reporting on the progress of debt collection for Council. To ensure co-ordinated effort for the implementation of positive impact towards behaviour change. To streamline empowerment and development of vulnerable groups
Local Economic Development	Promote inclusive local economic development which creates sustainable entrepreneurs, wealth and decent jobs	To create an enabling environment for Local Economic Development and job creation To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed To promote sustainable job creation through infrastructure and poverty alleviation programmes To develop a prosperous, inclusive, transformative and diverse local economy To promote economic growth by creating an enabling environment for SMME development To position KwaDukuza to be a tourist and investor destination of choice
Basic Service Delivery & Infrastructure Development	Improved universal access to basic services	To involve local communities in matters of local government To facilitate provision of formal housing through construction of high-quality houses. To ensure fair, transparent and compliant housing beneficiary management system. To restore human dignity through asset ownership To contribute to a safe and secure environment. To ensure that all citizens have access to basic electricity services To provide acceptable level of electricity to customers within electrical supply area of jurisdiction To provide acceptable level of reliable / quality of electricity supply

KWADUKUZA HIGH LEVEL STRATEGIC OUTCOMES.....CONTINUED

KEY PERFORMANCE AREA	IDP STRATEGIC GOAL	IDP STRATEGIC OBJECTIVE
Basic Service Delivery & Infrastructure Development	Improved universal access to basic services	<ul style="list-style-type: none"> To ensure that energy losses are reduced within legislated guidelines To maintain and upgrade existing municipal infrastructure To maintain municipal roads in accordance with approved maintenance plan To ensure that all households have access to roads To ensure safety to road users To ensure that the community has access to functional public amenities To provide access to basic municipal services to all citizens To provide access to basic solid waste services to all citizens To ensure that the community has access to licenced burial facilities To provide an acceptable level of lighting to all major roads, public open spaces and sports fields
Financial Management and Viability	<ul style="list-style-type: none"> MIG Expenditure Capital expenditure Traffic Control and Law enforcement Financial management Irregular expenditure prevention and reduction Revenue protection and enhancement Budget compilation development in accordance with relevant legislative prescripts Compilation of Annual Financial Statements Compilation of quarterly financial statements Updating of FAR and Accounting system Improved planning of annual asset processes Asset Management Development and Monitoring of annual procurement plan Free Basic Services Indigent Analysis of Key ratios to ensure that it remains within or exceed agreed upon targets Implementation of debtors and incentive schemes Revenue Management Ensuring credibility of consumer database Establishment of an in-house property valuation section Radical Economic Transformation Prevention of Irregular, Fruitless and Wasteful Expenditure 	<ul style="list-style-type: none"> To improve expenditure on Municipal Infrastructure Grant (MIG) allocation To improve expenditure on Capital Budget To ensure that the revenue of the municipality is collected and accounted for. To ensure compliance with financial management and legislative requirements To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes To ensure municipal budget complies with MFMA and Treasury regulations To ensure proper Asset Management in line with prevailing accounting standards To provide access to basic municipal services to all citizens To ensure financial viability of the municipality To ensure that at least of 45% of procurement is awarded to designated sectors i.e. Youth, Women and disabled.
Spatial Planning and Environmental Management	<ul style="list-style-type: none"> SPLUMA Implementation Building Plans Approval Land Use Management Scheme (LUMS) Implementation Development Approval Turnaround Time Improvement Enforcement of Development Planning bylaws Environment Management Climate Change Disaster Management Disaster Awareness campaigns Fire Safety Fire safety awareness campaigns Inspection of high-risk occupancies. School Safety Campaigns: Social Crime prevention 	<ul style="list-style-type: none"> Developing and sustaining the spatial, natural and built environment Promote and support Low Carbon Development Path To contribute to a safe and secure environment. To contribute to the incidents related to fire To provide educational guidance to local citizens To provide career and job searching skills to the local unemployed To promote education of vulnerable children/youth
KPAs: 6	NUMBER OF KDM GOALS: 44	NUMBER OF STRATEGIC OBJECTIVES: 60

Table 11: KDM Strategic Outcomes

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS

With the 2018/2019 review of the IDP, the following challenges and proposed interventions were identified which also led to the review of the Municipal goals and strategic objectives for the 2019/2020 financial year

NO.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA -1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT		
1.1	Lack of skills required by the municipality and local economy.	<ul style="list-style-type: none"> ➤ Expedite efficient operational and relevant courses as offered by Chief Albert Luthuli Skills Centre and uMfolozi FET college; ➤ Emphasis on scarce skills development utilising both KDM's External and Internal Bursaries programmes; ➤ Co-ordinate and facilitate the placements of learners who are partaking in learnerships with various host employers; ➤ Implement KDM's Internship programme by ensuring that each business unit essentially hosts a minimum of five (5) graduates per annum; ➤ Facilitate and co-manage various government skills development initiatives such as tourism safety monitor etc.; and ➤ See to the implementation of Council retention programme.
1.2	Low figures of women appointed into managerial positions and non-compliance with equity targets.	<ul style="list-style-type: none"> ➤ Adhere to the implementation of gazetted Employment Equity Plan; ➤ Embark on target recruitment so as to accomplish equity targets for less represented groups within Council including those from the coloured and white communities; ➤ Provide a dedicated programme to develop and benefit women talent.
1.3	An abundance of overtime worked, unproductivity and unsupervised municipal staff.	<ul style="list-style-type: none"> ➤ Introduce and implement shift systems with a view to curb overtime and enhance productivity; ➤ Fast-track the filing of vacant, new and/or attrition posts. ➤ Ensure compliance with the overtime management plan per BU as well as adherence to the Basic Conditions of Employment Act (BCEA); and ➤ Cascade performance management to lower positions of Council.
1.4	Poor ICT network, support and continuous use of manual systems to process certain applications by BU.	<ul style="list-style-type: none"> ➤ Invest in the ICT network and off-site disaster recovery facility; ➤ Strengthen the capacity of the ICT Unit by ensuring that critical posts are filled as well as improve general governance issues; ➤ Ensure full implementation of EDP EDRMS and Planning Tracking System; ➤ Support the introduction of electricity application system and SCADA System, ➤ Establish panels to ensure that ICT equipment's and software are provided.
KPA-2: FINANCIAL VIABILITY AND MANAGEMENT		
2.1	Limited revenue sources and poor collection of debts, which in turn leads to budgetary constraints that adversely impact the financing of various interventions.	<ul style="list-style-type: none"> ➤ Fast-track and ensure tight implementation of Council credit policy; ➤ Concentrate on revenue enhancement projects led by various BU; ➤ Curb Electrical/Energy Loss through implementing disconnections and continuous meter audits; ➤ Embark on accounts data cleansing project; ➤ Implement approved KwaDukuza Reserve Policy, ➤ Ensure that the Debt and Revenue Enhancement Committee functions to its maximum; and ➤ Implement Debt Incentive Scheme.
2.3	Failure to deal with irregular expenditure and abuse of section 36 of the MFMA.	<ul style="list-style-type: none"> ➤ Fast-track the completion of award of section 78 (PPP) project for waste-collection; ➤ Implement and enforce compliance with applicable legislation to avert irregular expenditure; ➤ Reduce section 36 appointments through the establishment of a panel of service providers to attend to emergencies; and ➤ Ensure that there is implementation of consequential management for non compliance with Council policies and legislation.
KPA-3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
3.1	Poor public street lighting.	<ul style="list-style-type: none"> ➤ Roll-out maintenance of streetlights using the panel of service providers and internal staff; ➤ Roll-out retrofitting of existing street lights with energy efficiency streetlights;

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS... CONTINUED

No.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA-3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
3.1	Poor public street lighting.	<ul style="list-style-type: none"> ► Installation of new energy efficiency streetlights within the boundaries of the municipality; and; ► Implement ongoing Installation of high mast lights (Apollo lights).
3.2	Poorly maintained roads.	<ul style="list-style-type: none"> ► Hasten the implementation of pothole patching and road rehabilitation programme through panel of contractors servicing all clusters; ► Engage in and expedite the rehabilitation of roads by both ILembe DM and Fibre optic contractors, through signed MOA and wayleave applications; ► Upgrade roads from gravel to black-top; and ► Utilisation of internal capacity to re-gravel the gravel roads.
3.3	Shortage of low-cost and affordable housing	<ul style="list-style-type: none"> ► Bring to completion all houses that are under construction and continue to mobilise the increment of Housing Development Grant; ► Unclog the blocked projects for implementation i.e. rocky park, Driefontein; ► Fast-track the appointment of Social Housing companies to unlock social housing projects within the municipality; and ► Expedite the closure of old projects and issue of title deeds.
3.4	Poor waste collection services in the semi-urban areas and northern area of KwaDukuza.	<ul style="list-style-type: none"> ► Finalise and implement the recommendations of section 78 study (PPP); ► Provide additional skips; ► Promote community waste management initiatives using utilising programmes i.e. CWP and Good Green Deeds; ► Ensure public education on waste management and impact of illegal dumping; and ► Extend the roll-out of recycling bins in the municipal's area of jurisdiction.
3.5	Poor capital expenditure and negative impact on communities.	<ul style="list-style-type: none"> ► Establish and use a panel of contractors to implement capital expenditure; and ► Increase capacity to monitor performance of contractors. ► Curb red tape and delays on SCM processes through forward planning,
KPA-4: GOOD GOVERNANCE AND PUBLIC PARTICIPATION		
4.1	Dysfunctional Ward Committees and lack of public meetings.	<ul style="list-style-type: none"> ► Provide on-going support to Ward Committees to improve their performance through training and ward committee meetings, ► Ensure that all Ward Councillors conduct their quarterly meetings with the members of the public; ► Ensure that stakeholder forums i.e. (IDP Rep Forum, LED Forum, OSS/ War Rooms, Youth Forums, Gender and Disability, HIV-Aids Local Council etc.) are functioning properly and report to Council on quarterly basis; and ► Strengthen the use of communication platforms (e.g. websites, social media and municipal publications) to communicate and receiving of feedback from the community.
4.2	Deal with the perception of corruption and stagnant audit outcomes.	<ul style="list-style-type: none"> ► Build capacity of Internal Audit to provide on-going assurance services to Council; ► Ensure that Anti-fraud hotline is working and known by the public; ► Conduct ongoing staff and community awareness on fraud and corruption policies of Council; ► Implement consequential management against those who breach Council policies and laws of the Republic of South Africa; and ► Encourage the public to attend Council meetings and participate in Annual Oversight report processes.
KPA-5: LOCAL ECONOMIC DEVELOPMENT		
5.1	High unemployment rates amongst youth and women in KwaDukuza. Propensity of Local businesses to employ people from outside KwaDukuza.	<ul style="list-style-type: none"> ► Expedite the establishment of NYDA District Office; ► Expedite the establishment of YES Office within KwaDukuza; ► Expedite and enter into social compact agreements with Investors/Developers to prioritise appointment of KwaDukuza residents when there are job opportunities; and ► Ensure that all projects adhere to EPWP principles and the implementation thereof.

MUNICIPAL CHALLENGES AND PROPOSED INTERVENTIONS... CONTINUED

No.	CHALLENGES/COMMUNITY NEEDS IDENTIFIED	IDP INTERVENTIONS
KPA-3: BASIC SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT		
5.2	Untransformed economy and few business opportunities made available to local emerging businesses. This challenge has led to the formation of business forums which violently demand work opportunities.	<ul style="list-style-type: none"> ▶ Focus on the promotion of direct investment through minimising development approval red-tape and provision of incentive (rates rebate); ▶ Provide start-up support to SMMEs/Cooperatives involved in the manufacturing sector; ▶ Implement Nokukhanya Luthuli tourism precinct business plan; ▶ Implement emerging contractor's development programme; ▶ Promote and support SMMEs that are involved in the innovation and technology business; ▶ Promote green economy; ▶ Implement Target Procurement and enforce meaningful sub-contracting in all municipal contracts exceeding R4 million in value; and ▶ Review and adopt KwaDukuza LED Plan.
5.3	Increased crime which threatens community safety and investment to the area.	<ul style="list-style-type: none"> ▶ Partner with private sector and community based organisations for the installation of vehicle identification cameras; ▶ Partner with private security companies and SAPS to fight crime by undertaking joint enforcement blitz and sharing crime intelligence; ▶ Develop and adopt KwaDukuza Crime Strategy; ▶ Strengthen the functioning of Community Policing Forums; ▶ Focus targeting school crime awareness programmes; ▶ Ensure the implementation of Council by-laws; and ▶ Improvement on the functioning of Council CCTV camera's project.
KPA-6: CROSS CUTTING INTERVENTIONS		
6.1	Delay in approving building plans and town planning applications.	<ul style="list-style-type: none"> ▶ Finalise the implementation of Development and Building Plans application reforms with assistance of World Bank/Vuthela LED Programme; ▶ Enter into SLA with all BUs ED who have a responsibility to comment on applications; ▶ Ensure proper functioning of the Development Assessment Committee; ▶ Attend to all public complaints regarding delays within 7 days of receiving such complaints. ▶ Hasten the implementation of all EDRMS Modules and the introduction of Plan Tracking System; and ▶ Continue to have sessions with professionals /agents on a quarterly basis to deal with issues of common interest.
6.2	Poor enforcement of environmental laws and inadequate knowledge on climate change effects to our communities.	<ul style="list-style-type: none"> ▶ Increase staff members who are trained and designated as Environmental Management Inspectors by the MEC; ▶ Provide on-going community awareness programmes on climate change and environmental management; ▶ Implement approved KwaDukuza Green buildings guidelines and KwaDukuza Low Carbon Emission Strategy; and ▶ Identify and implement community resilience projects; ▶ Partner with Green Scorpions/ Department of Minerals Resources to enforce against illegal sand miners along Umvoti River; ▶ Encourage mainstreaming of green/climate proof projects by all municipal business units; and ▶ Provide support and guidance to internal departments to comply with applicable legislation when implementing their projects.

IMPLEMENTATION OF KWADUKUZA MUNICIPALITY GOALS

KEY PERFORMANCE AREAS	KWADUKUZA MUNICIPALITY GOALS
Municipal Transformation & Institutional Development	<ul style="list-style-type: none"> ► Build the capacity and systems for the 4th Industrial Revolution and the integrated e-government services, ► Create and promote a culture of enhanced service delivery, innovation and excellence through capable cadres of local government
Basic Service Delivery and Infrastructure Development	<ul style="list-style-type: none"> ► Expand and maintain the provision of quality basic services and the integrated human settlements
Good Governance & Public Participation	<ul style="list-style-type: none"> ► Improve good governance, audit outcomes and consequence management ► Strengthen public participation, complaints management system and accountability ► Ensure mainstreaming and meaningful participation of vulnerable groups (i.e. Youth, women, disabled people) in all developmental programmes ► Create a safer and crime free municipal area through community- public-private partnerships.
Financial Viability and Management	<ul style="list-style-type: none"> ► Enhance municipal financial sustainability,
Local Economic Development	<ul style="list-style-type: none"> ► Promote radical socio-economic transformation agenda to address inequality, unemployment and poverty
Cross-Cutting Interventions	<ul style="list-style-type: none"> ► Develop comprehensive response to rapid urbanisation, low carbon development and environment sustainability,

2.1.3 ADMINISTRATIVE GOVERNANCE

The Municipal Manager heads the administrative structure of KwaDukuza Municipality and is assisted by eight Heads of Departments (Executive Directors/ ED's). Depending on each department, each is further divided into a particular number of sub directorates headed by Directors. The ED headed departments are Finance, Corporate Services, Chief Operations Office- Corporate Governance, Economic Development and Planning and Development Facilitation, Community Services, Community Safety, Civil Services & Human Settlements and Electrical Engineering Services.



Municipal Manager:
Mr N.J. Mdakane

Mr Mdakane is responsible for the performance in the following areas:

- Setting up effective and sound local administration;
- Coordination and compilation of the Integrated Development Plan (IDP);
- Performance management system of the Municipality;
- Oversees the management of internal audit;
- Overall responsibility for finances of the Municipality;
- Advise Political Office Bearers and Council on various issues;
- Responsible for compliance of the Municipality with various pieces of legislation; and
- Ensures community participation in the affairs of the Municipality



Chief Operations Officer:
Mandla Manzini

Mr Manzini is responsible for providing strategic direction for the following areas:

- Ensures compliance to all governance prescripts
- All legal matters of the KDM, compilation of legal reports, legal opinions and comments, drafting of loan and service agreements,
- Functionality of Performance Management of the municipality,
- Administrative management of Internal Audit and Risk Management,
- Management of Corporate Communications and IGR
- Administrative management of the IDP and Public Participation



ED: Corporate Services:
Sithembiso Kubheka

Mr Kubheka is responsible for the following areas:

- ▶ Maintenance and promotion of healthy labour relations and HR management of staff with regard to matters such as staff recruitment, personnel development, personnel administration and employment equity;
- ▶ Controlling of statutes and all government and provincial gazettes;
- ▶ Controlling of archives and records of council;
- ▶ Building administration for the KDM and the Mayor's house;
- ▶ The provision of secretariat services for all Committees of the KDM as well as for Council meetings.



ED: Community Safety:
Cecil Viramuthu

Mr Viramuthu is responsible for the strategic performance of the following key basic service delivery areas:

- ▶ Disaster Management
- ▶ Law Enforcement/Traffic Policing
- ▶ Crime Prevention
- ▶ Social crime prevention
- ▶ Motor Licensing and Testing Services
- ▶ Fire and emergency services



Chief Financial Officer:
Shamir Rajcoomar

The CFO is responsible for the performance in the following areas:

- ▶ Financial Planning and Treasury;
- ▶ Supply Chain Management;
- ▶ Expenditure Control;
- ▶ Credit Control and Debtors;
- ▶ Revenue Control; and
- ▶ Asset Management.



ED: Community Services:
Siyabonga Khanyile

Mr Khanyile is responsible for the strategic performance of the following key basic service delivery areas:

- ▶ Community Services
- ▶ Waste Management Services
- ▶ Beach maintenance and Marine Safety
- ▶ Cemeteries and Crematorium
- ▶ Parks and Gardens
- ▶ Maintenance of Community Facilities
- ▶ Management of Community Halls and Multi-Purpose Community Centre (MPCC),
- ▶ Libraries, Museums and Heritage,



**ED: Electrical Services:
Sibusiso Jali**

Council appointed the Accounting Officer to oversee the Department who in turn appointed Mr SM. Khanyile as caretaker responsible for ensuring basic service delivery and performance in the following key areas:

- ▶ Electrical Engineering Planning,
- ▶ Fleet Services, and
- ▶ Electricity Operations



**ED: EDP:
Sikhumbuzo Hlongwane**

Mr Hlongwane is responsible for ensuring basic service delivery and performance in the following key areas:

- ▶ Local Economic Development and Tourism,
- ▶ Development Planning and Building Control,
- ▶ Environmental Management,
- ▶ Sports Development,
- ▶ Youth Development



**ED: Civil Engineering Services:
Muzi Sithole**

Mr Sithole is responsible for ensuring basic service delivery and performance in the following key areas:

- ▶ Civil Engineering Services including, construction, maintenance, upgrading and expansion of municipal built assets
- ▶ Road and storm water drainage
- ▶ Project Management Unit (PMU)
- ▶ Building Maintenance
- ▶ Infrastructure planning
- ▶ Delivering of sustainable and integrated Human Settlements,
- ▶ Expanded Public Works Programme (EPWP)

2.2 COMPONENT B: INTERGOVERNMENTAL RELATIONS (IGR)-

The role of KDM IGR is to plan and evaluate Inter-governmental relationship initiatives, interventions and monitors procedural applications ensuring efficient relations and sharing models of good practice with other municipalities. Considering short- and long-term objectives, action plans, operating standards and performance targets of inter-government functions referring to Integrated Development Plan and Service delivery strategies. Monitoring and assessing the applicability and appropriateness of specific inter-government programmes to the broader objectives of the Municipality, referring to programme plans and outcomes. Providing guidance and support to the organization's functional areas on the alignment of policies and procedures regulating inter-governmental relationships and evaluates projects/programme conformity with the critical integration requirements. In order to ensure internal structures, methods and procedures support the objective of integration and, the contributions and roles required to sustain relationships defined and understood. The IGR systems should add value in effective service delivery, development and good governance across the three spheres of government.

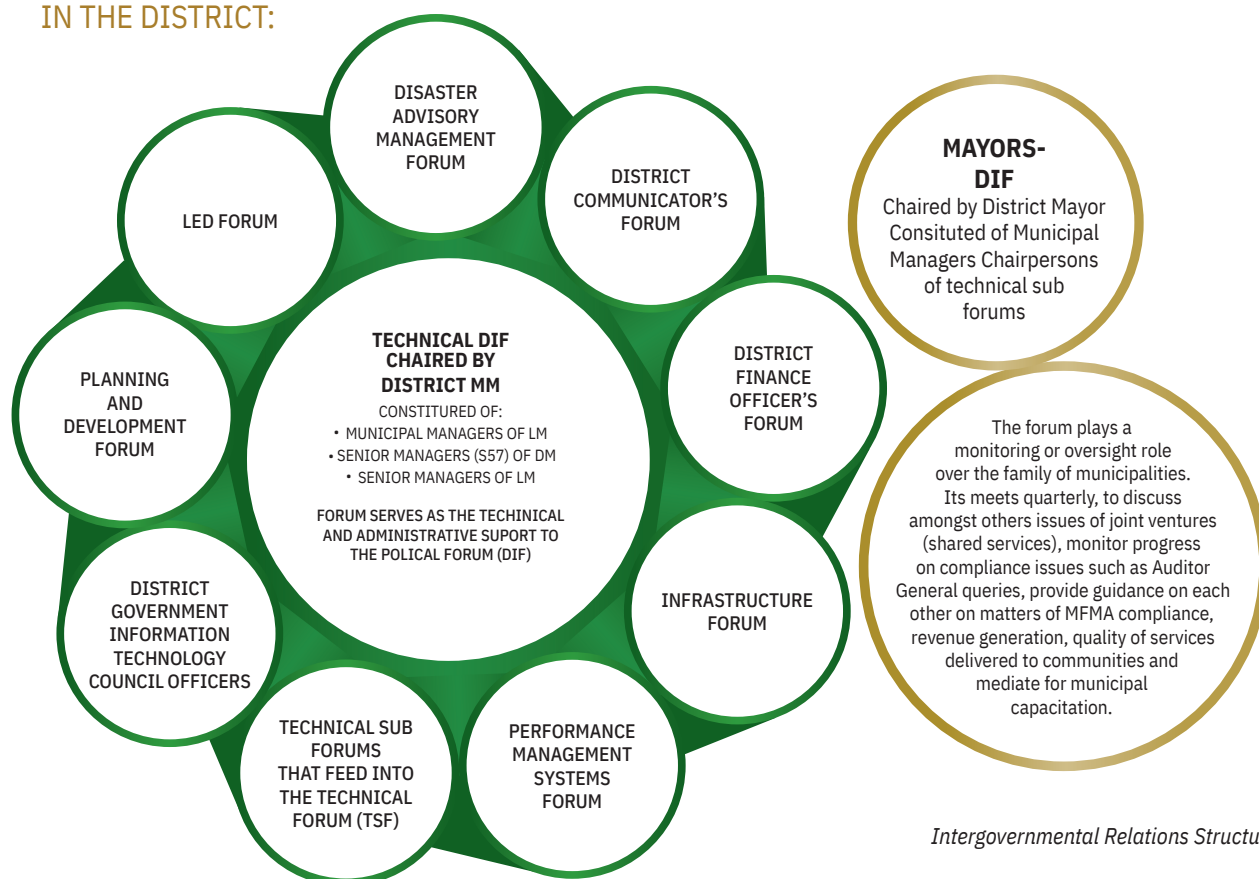
Some of the challenges that we face are lack of understanding from other business units, in terms of service delivery issues/concerns, within the municipality and external stakeholders to a lesser extent. The proposal in dealing with the above is to hold a workshop for KDM MANCO which will

help them understand the importance of IGR unit in assisting with fast tracking service delivery, through creating and sustaining relationships as required by the Constitution of the Republic. Some of the challenges we have, are that we have a poor alignment of IDP within its cycle of development. Absence of early warning systems within municipalities leads to us identifying problems at an advance stage. Lack of streamline and support of one sphere by another makes it extremely difficult to try and resolve concerns on time. Reduced communication and information sharing between stakeholders is another challenge. The issue of budget constraints and cost containment measures within the municipality makes it difficult for the unit to plan and deliver programs within the municipality. Such programs could place the municipality at the world stage and also assist in show casing our municipality to the much-needed foreign investment. Meetings do sit at a district level to deal with these challenges. The process is as such that, each municipality would submit challenges to the IGR unit at the district municipality. The matters are then discussed and possible solutions are agreed upon for actioning and monitoring.

IGR achievements

- ▶ Hosting of MANDELA DAY.
- ▶ Hosting of Women's day.
- ▶ Coordinating with business units within the municipality to try and deal with drugs within the CBD.
- ▶ Coordinating with business units within the municipality in dealing with land invasions.
- ▶ Coordinating with Human settlements to fast tract the housing project in Rocky Park.
- ▶ Coordinating with SANRAL to implement the N2 upgrade project

STRUCTURE DEPICTING IGR IN THE DISTRICT:



Intergovernmental Relations Structure

2.3 COMPONENT C: PUBLIC ACCOUNTS AND PARTICIPATION

ALIGNMENT OF IDP, BUDGET AND MUNICIPAL PERFORMANCE MANAGEMENT PROCESSES & DATES

The defined and adopted process plan for the KwaDukuza Municipality is as detailed in the table below.

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2019/2020

SCHEDULED DATES	IDP	PMS	BUDGET
JULY 2018	<ul style="list-style-type: none"> ▶ Lodge advert to register on IDP Forum Database ▶ Adopt the Draft IDP Process Plan at the end of July 2018 ▶ 30th July 2018 IDP Project Steering Meeting (Extended MANCO) ▶ Ensuring alignment of the Section 57 Managers individual Scorecards with the IDP strategies ▶ Input into targets and dead-lines on the SDBIP 	<ul style="list-style-type: none"> ▶ Signing of new performance contracts for Section 56/57 Managers and submission to EXCO (Section 69 of the MFMA and Section 56/57 of the MSA). ▶ Prepare Departmental Business Plans SDBIP (Component 3) for the next financial year. ▶ Previous year S56/57 Managers' Performance Assessments ▶ Adoption of 2018/ 2019 SDBIP 	<ul style="list-style-type: none"> ▶ IDP and Finance to discuss the 2019/20 Budget planning issues ▶ Prepare budget process plan and timetable for the 2019/2020
AUGUST 2018	<ul style="list-style-type: none"> ▶ On the 8th August 2018 Draft IDP Process Plan to be Advertised ▶ On the 30 August 2018 adoption of Final Process Plan ▶ Circulate adopted process plan to Sector Departments ▶ Receive MEC comments on previous year's IDP COGTA submission ▶ IDP Representative Forum on the 21 August 2018 ▶ 13th -17th August 2018 come up with dates for Mayoral Izimbizo (Public Participation) 	<ul style="list-style-type: none"> ▶ Quarterly Project Implementation Report ▶ Quarterly Audit Committee meeting ▶ Performance evaluation panel ▶ Draft Annual Report 2017/18 	<ul style="list-style-type: none"> ▶ Compile the 2019/2020 Multi-year Budget ▶ Complete Budget Evaluation ▶ Submit checklist to National Treasury ▶ Obtain Council's approval for 2019/2020 Multi-year budget process and timetable. ▶ Review external mechanisms affecting the medium-term budget forecasts ▶ Assess Council's 2017/2018 Financial Statements and current year's revised results and capacity, to determine the impact on future strategies and budgets ▶ Assess the funding policies including the tariff structures.
SEPTEMBER 2018	<ul style="list-style-type: none"> ▶ Mayoral Izimbizo to commence ▶ Formalise Council's Vision, Mission, Objectives and Strategies ▶ Consultation with units (dates to be confirmed) ▶ Consultation with and alignment with Sector Departments ▶ Cross border alignment meetings ▶ Create template in relation to the scorecard (*Situational Analysis*) ▶ Feedback to Steering Committee regarding MEC's assessment ▶ Review and updating of Departmental Sector Plans 		<ul style="list-style-type: none"> ▶ Address various budget assumptions, internal budget processes, policies etc. ▶ IDP and Senior Management review the prioritization to compile the capital budget ▶ Public information meetings (divided) into the established clusters, reviewing and strategizing the current IDP ▶ Strategic Budget Meeting with Senior Managers/Managers ▶ Budget information meeting regarding operational support and capacity building ▶ Budget information session

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2019/2020... CONTINUED

SCHEDULED DATES	IDP	PMS	BUDGET
SEPTEMBER 2018	<ul style="list-style-type: none"> ▶ Ward Councillors and Ward committees to submit community needs for budget consideration ▶ Report on progress as per SDBIP ▶ Revise prioritization in terms of performance 		
OCTOBER 2018	<ul style="list-style-type: none"> ▶ Integration of information from adopted Sector Plans into the IDP Review ▶ Review mission, vision and objectives ▶ Cross border municipal alignment ▶ Formulate Strategies ▶ Feedback from Senior Managers on Priorities - Projects – as well as Budget inclusions ▶ Regional alignment (District Municipality) 		<ul style="list-style-type: none"> ▶ Ensure draft budget processes are informed by the IDP ▶ National regulators and external mechanism entities to give notification of their pricing strategies for the next 3-5 years ▶ National government to provide Council with their Medium-Term Expenditure Framework Plans ▶ Obtain confirmation of financial allocations to municipalities from National and Provincial Governments in terms of the Draft Division of Revenue Bill ▶ Budget information meeting regarding operational support and capacity building ▶ Submission of the Draft Capital projects for 2019/2020 Multi-year budget and revised prioritization model according to Council's strategic objectives, as set out in the draft IDP ▶ Budget information session
NOVEMBER 2018	<ul style="list-style-type: none"> ▶ Consultation and alignment with Sector Departments/Service Providers and local municipalities ▶ 05 November 2018 - Workshop for councillors on Vision, Strategies etc. ▶ 13 November 2018- IDP Representative Forum - Draft Strategies ▶ 19 November 2018 - IDP Steering Committee - Reviewing of strategies ▶ November 2018 - Sector Alignment Workshop – COGTA ▶ Finalise Roadshows report 	<ul style="list-style-type: none"> ▶ Quarterly Project Implementation Report (for first quarter) ▶ Quarterly Audit Committee meeting (for the first quarter) 	<ul style="list-style-type: none"> ▶ Submission of the Draft Operating estimates for the 2019/2020 Multi-year budget, analysed according to activities aligned to Council's strategic objectives, as set out in the draft IDP ▶ Discussions with Senior Managers on the draft Capital projects for the 2019/2020 Multi-year budget ▶ Budget information session
DECEMBER 2018	<ul style="list-style-type: none"> ▶ Collect and Finalise Sector Plans/SDP MTAS ▶ Review KPI's and targets ▶ IDP Best Practice Conference with COGTA ▶ Projects/Send template for 25 January 2019 ▶ ILembe District Municipality Planner's Forum – last Thursday of December 2018 ▶ Review of Strategies ▶ Alignment of Capital estimates to the IDP 	<ul style="list-style-type: none"> ▶ Compile annual report (MFMA Sect 121) 	<ul style="list-style-type: none"> ▶ Perform a mid-year financial review on the current year's (2018/19) budget and revised estimates to submit an Adjustment budget to council if considered necessary. ▶ Review tariffs and charges and evaluate options ▶ Further consultation, if needed with an internal budget committee represented by various departments

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2019/2020... CONTINUED

SCHEDULED DATES	IDP	PMS	BUDGET
			<ul style="list-style-type: none"> ▶ Discussions with Senior Managers on the Draft Operating estimates for the 2019/2020 Multi-year budget ▶ Alignment of the Draft Capital estimates to the IDP ▶ Budget information session
JANUARY 2019	<ul style="list-style-type: none"> ▶ Steering Committee on the 28th January 2019 ▶ Send reminders 14-18 January 2019 requesting projects (with proposed budgets) ▶ IDP Review integration phase 	<ul style="list-style-type: none"> ▶ Mayor tables annual report MFMA Sect 127 (2) ▶ Make public annual report and invite community inputs into report (MFMA Sect 127 & MSA Sect 12a) ▶ Sect 56/57 Managers' quarterly assessments (for second quarter) ▶ Approve Annual Report 2017/2018 	<ul style="list-style-type: none"> ▶ Submit the mid-year budget and performance assessment report to Council. Submit to National Treasury and Provincial Treasury both printed and electronic form the mid-year budget and performance assessment (Section 35).
FEBRUARY 2019	<ul style="list-style-type: none"> ▶ Consolidation of information and finalization of MEC Assessment issues ▶ Meeting with COGTA IDP submission and assessment ▶ Draft IDP & Budget – Prioritization and Budget Allocation ▶ Strategic Session 20, 21, 22 February 2018 ▶ Conclusion of Sector Plans initiated and integration into the IDP Review report ▶ Finalise outstanding MEC assessment issues 	<ul style="list-style-type: none"> ▶ Quarterly Project Implementation Report (for second quarter implementation) ▶ Quarterly performance audit committee meeting ▶ Submit annual report to AG, Provincial & DTLGA (MFMA Sect 127) 	<ul style="list-style-type: none"> ▶ Adjustment budget to be considered if necessary ▶ Make public the adjustment budget and supporting documentation within 10 working days after being approved by Council (Section 126) ▶ Submit to National Treasury and Provincial Treasury in both printed and electronic form, the adjusted budget, supporting documentation and the adjusted service delivery and budget implementation plan (SDBIP) within 10 working days after the Mayor has tabled the adjustment budget in Council (Section 24) ▶ Table 2018/19 Multi-year budget together with the IDP for consideration for Finance Portfolio ▶ Submit 2019/2020 draft Service Delivery and Budget Implementation Plans to Finance Portfolio Committee for consideration. ▶ Review of the Mid-year visit Report by National Treasury and implementation of any recommendations

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2019/2020... CONTINUED

SCHEDULED DATES	IDP	PMS	BUDGET
MARCH 2019	<ul style="list-style-type: none"> ▶ IDP Representative Forum 16 March 2017 ▶ 27-31 March 2019 Adoption of Draft IDP ▶ Council workshop of final draft IDP & Budget – Prioritization & Budget allocation ▶ Advertise Draft Budget and IDP for public comments 	<ul style="list-style-type: none"> ▶ Council to consider and adopt an oversight report [Due by 31 March 2019 MFMA Sec 129 (1)] ▶ Set performance objectives for revenue for each budget vote (MFMA Sec 17) ▶ Annual Customer Satisfaction survey (to be considered to annual report) MSA Sec 40 	<ul style="list-style-type: none"> ▶ Submit 2019/2020 Multi-year budget and IDP submitted to Executive Committee and Council for approval ▶ Submit 2019/2020 Service Delivery and Budget Implementation Plans submitted to Executive Committee and Council for approval ▶ Submit 2019/2020 Multi-year budget, IDP and Service Delivery and Budget implementation plan in both printed and electronic format forwarded to National and Provincial Governments, including National Treasury within 10 working days after being approved by Council. ▶ Make public the tabled budget and supporting documentation within 10 working days after being approved by Council ▶ Discussion of the tabled budget together with the proposed public participation process with the Amakhosi ▶ Ward committee meeting highlighting involvement of members in the Budget Public Participation process ▶ Undertake a 4-week community consultation process of the budget
APRIL 2019	<ul style="list-style-type: none"> ▶ Notice to public on draft IDP (21 days) ▶ Incorporate comments –adjust the IDP & Budget where necessary ▶ IDP Budget Roadshows (use same approach during analysis phase) ▶ Report back on the results of Assessment Feedback 	<ul style="list-style-type: none"> ▶ Strategies, objectives, KPA's, KPI's and targets and inclusion into IDP Review Report. ▶ S56/57 Managers' Quarterly Performance Assessments ▶ Publicise Annual Report [Due by 7 April MFMA Sec 129 (3)] ▶ Submit Annual Report to Provincial Legislature/MEC Local Government (Due by 7 April MFMA Sec 132 (2)) 	<ul style="list-style-type: none"> ▶ Undertake a 4-week community consultation process of the budget ▶ Revision of the budget and IDP from inputs received from the community, Government departments and National Treasury, if required

ACTIVITIES FOR IDP, PMS AND BUDGET PROCESS PLAN AS WELL AS PUBLIC PARTICIPATION MEETINGS 2019/2020.....CONTINUED

SCHEDULED DATES	IDP	PMS	BUDGET
MAY 2019	<ul style="list-style-type: none"> ▶ Adjustment of Draft IDP 1st – 10th May 2019 ▶ 31 May 2019 Final IDP/Budget/PMS Adoption ▶ Submit to MEC and of June 2019 	<ul style="list-style-type: none"> ▶ Implementation Report (for third quarter) ▶ Quarterly Audit Committee meeting ▶ Annual review of organizational KPIs ▶ Review annual organizational performance targets (MPPR Reg) 	<ul style="list-style-type: none"> ▶ Publish tariffs and budget for the 2019/2020 financial year ▶ Assessment of the progress of the 2019/2020 budget by national Treasury
JUNE 2019	<ul style="list-style-type: none"> ▶ Prepare IDP Process Plan for the 19/20 Financial Year 		<ul style="list-style-type: none"> ▶ Submission of draft SDBIP to the mayor within 14 days of approval of the budget ▶ Approved 2019/2020 Multi year budget, IDP in both printed and electronic format forwarded to National Treasury within 10 working days after being approved by council ▶ Make public the approved budget and supporting documentation within 10 working days after being approved by Council ▶ Publish Council's budget and IDP on its website ▶ Establish and complete performance evaluations for functional outcomes based on operational plans and the IDP ▶ Approval of the SDBIP within 28 days after approval of the budget and completion of the annual performance contracts in accordance with S56/57 of MSA ▶ Make public the SDBIP within 10 working days after being approved by Council ▶ The Service Delivery and budget implementation plan in both printed and electronic format to be forwarded to national Treasury within 10 working days after being approved by Council

Table 13: IDP Process Plan

2.3.1 IDP ROADSHOWS/IZIMBIZO

COMMUNITY ROADSHOWS AND IZIMBIZO

In compliance with Chapter 4, Section 16(1) of the Municipal System Act 32 of 2000, KwaDukuza Municipality in collaboration with iLembe District Municipality conducted the IDP, PMS and Budget Roadshows which were scheduled as follows:

COMMUNITY ROADSHOWS AND IZIMBIZO HELD

CLUSTER/STAKEHOLDER	DATE	VENUE	TIME
Mayoral Izimbizo			
Cluster A: Wards 14, 15, 24 and 26	18 October 2018	Chris Hani Community Hall	13h00
Cluster B: Wards 9, 10, 11, 12 and 29	18 October 2018	Thembeni Grounds	09h00
Cluster C: Wards 4	16 October 2018	Shakashead Community Hall	09h00
Cluster D: Wards 7, 8, 20, 23 and 28	17 October 2018	Nkobongo Community Hall	09h00
Cluster E: Wards 6 and 22	31 October 2018	The meeting was postponed	N/A
Cluster F: Wards 1, 2, 3 and 25	30 October 2018	Nyathikazi Community Hall	09h00
Cluster G: Wards 5, 13, 16, 17, 18 and 19	23 October 2018	KwaDukuza Town Hall	18h00
Ratepayers Association from North of KwaDukuza	09 October 2018	The meeting was postponed	N/A
Amakhosi Asendlunkulu and Izinduna	11 October 2018	Human Resources Boardroom	09h00
Ratepayers Association from South of KwaDukuza	09 October 2018	The meeting was postponed	N/A
Ward 21	24 October 2018	The meeting was postponed	N/A
Ward 27	30 October 2018	The meeting was cancelled	N/A
Draft IDP, PMS and Budget Roadshows			
Cluster A: Wards 7,8,20,23 & 28	16 April 2019	Nkobongo Community Hall	09h00
Cluster B: Wards 14,15,24 & 16	16 April 2019	The roadshow was postponed	N/A
Cluster C: Wards 4 & 21	17 April 2019	Shakashead Community Hall	09h00
Amakhosi Asendlunkulu	17 April 2019	HR Boardroom (OK Mall)	13h00
Cluster D: Wards 5, 13, 16, 17, 18 & 19	17 April 2019	KwaDukuza Town Hall	18h00
Cluster E: Wards 9, 10, 11, 12, & 29	18 April 2019	Charlottedale Ground	09h00
Ward Committee Members	23 April 2019	KwaDukuza Town Hall	09h00
iLembe Chamber of Commerce	23 April 2019	iLembe Chamber Boardroom	18h00
Cluster G: Ward 1, 2, 3, 25 & 27	24 April 2019	The roadshow was postponed	N/A
Ratepayers Association from North of KwaDukuza	24 April 2019	The roadshow was postponed	N/A
Cluster F: Ward 6, 22 and Ratepayers Association from South of KwaDukuza	24 April 2019	Salt Rock Library	18h00

Public Consultative Meetings 2018/2019

NATIONAL AND PROVINCIAL PROGRAMMES ROLLED OUT IN KWADUKUZA

(A) WARD COMMITTEES

The ward committee members were elected in line with the Municipal Structures Act of 1998 during the month of August 2011. KwaDukuza Municipality has 270 ward committee members. The inauguration ceremony was held in December 2011. All ward committee members are committed to serve their communities. The municipality conducted a workshop wherein the ward committee members were taken through the core municipal programmes and the role they have to play in such programmes. This was to ensure that they are functional.

The municipality set resources aside to assist with the operational costs of the ward committee structures to enrich the public participation activities they are involved in. A number of programmes and plans have been put in place to deal with ward committee issues. These are the ward functionality programmes which include functionality reports that are submitted to the Public Participation in order to determine whether the committees are functional or not, the ward operational and improvement plans which consists of the activities that each committee undertakes in each financial year, schedules of community meetings, ward committees meetings and Operation Sukuma Sakhe.

2.4 COMPONENT D: CORPORATE GOVERNANCE

2.4.1 RISK MANAGEMENT- KEY RISK AREAS

ANTI-FRAUD AND CORRUPTION

The strategy is intended to set down the stance of KwaDukuza Local Municipality towards fraud and corruption as well as to reinforce existing systems, policies, procedures, rules and regulations of KwaDukuza Local Municipality aimed at preventing, deterring, detecting, reacting to, and reducing the impact of fraud and corruption, where such dishonest activities exist.

The commitment of KwaDukuza Local Municipality to this strategy is for the protection of the public funds it administers and to achieve a reputation for maintaining good systems of internal controls that are determined to prevent and detect all forms of internal and external fraud and corruption committed against KwaDukuza Local Municipality.

KwaDukuza Local Municipality upholds the principles guiding the conduct of the holders of public service, some of which are:

- ▶ Integrity
- ▶ Professionalism
- ▶ Transparency
- ▶ Accountability
- ▶ Objectivity
- ▶ Respect
- ▶ Quality of service delivery and value for money.

The objectives of the strategy are to create a culture within the Municipality which promotes public service and discourages unethical conduct, fraud and corruption by:

- ▶ Creating a culture within the Municipality which is intolerant to unethical conduct, fraud and corruption
- ▶ Preventing and detecting unethical conduct, fraud and corruption
- ▶ Development of anti-corruption capacity within the Municipality
- ▶ Investigating detected unethical conduct, fraud and corruption
- ▶ Taking appropriate action in the event of such irregularities e.g. disciplinary action, recovery of losses, prosecution etc.
- ▶ Applying sanctions, which includes redress in respect of financial losses
- ▶ Providing a focus point for the allocation of accountability and authority

- ▶ Encouraging all public servants and stakeholders to report suspicious fraudulent activities without fear of reprisals or recriminations
- ▶ Strengthening community participation in the fight against fraud, theft and corruption by
 - Reinforcing transparency of the work of the Municipality and encouraging participation of civil society and community groups in oversight structures
 - Improving good governance and building resilient government through:
 - Improving the application of systems, policies, procedures, rules and regulations within the Municipality
 - Improving accountability, efficiency and effective administration within the Municipality, including decision-making and management conduct, which promotes integrity.

KwaDukuza Local Municipality has a zero-tolerance attitude to fraud and will do everything financially prudent to ensure that fraud, corruption or misconduct, cannot affect its assets and financial well-being. In keeping with the zero-tolerance approach, acts of fraud, corruption and misconduct will not be tolerated at any level. All fraud will be investigated and followed up by the application of all remedies available within the full extent of the law as well as the application of appropriate prevention and detection controls. These prevention controls include the existing financial and other controls, and checking mechanisms as prescribed in the systems, policies, procedures, rules and regulations of government.

THE BID SPECIFICATION COMMITTEE ON COMPRISES THE FOLLOWING;

TECHNICAL SERVICES AND HOUSING MATTERS COMMITTEE

F Mhlongo (Chair)	Director Civil
N Dambuza	Snr. Mng – Electrical (quarters 1 and 2 only)
N Singh	Manager Billing
S Cele	PMU Manager (resigned as at 28 Feb)
N Nxumalo	SCM Practitioner
P Mkwana	D.D Comm. Services
R Bidesi	Storeman (pro tempt in the absence of N Nxumalo)
D Mhaule	Electrical Director (appointed in quarter 3)

TSC NON TECHNICAL MATTERS:

N Dlamini (Chair)	Director PME
RD Singh (Alt. Chair)	Director: Revenue
S Zungu	Manager Operations
W Mhlongo	Manager Waste
M Naidoo	SCM Practitioner
S Kuber	IT Manager
R Bidesi	Storeman (appointed as pro-tempt in the absence of M Naidoo)

**The Bid Evaluation Committee comprising of the following members;
TEC NON-TECHNICAL MATTERS:**

F Naidoo (Chair)	Deputy Director Planning
C Pereira (Alt. Chair)	Chief Planner
L Radebe	Director: IDP
M Ngcamu	Director HR
N Ngwane	Director: Comm Serv.
D Sreramulu	SCM Practitioner
M Ngubane	Director Admin
N Nxumalo	SCM Practitioner (appointed in the absence of D Sreramulu)

TECHNICAL SERVICES AND HOUSING MATTERS:

S Khanyile (Chair)	ED: Comm. Services
M. Ntanta (Alt. Chair)	Director: Dev. Planning
T Dube	Director: Housing
P Govender	Director Legal
L Moothusamy	Head: SCM
A Nunkumar	Director: Budgets & Compliance

THE BID ADJUDICATION COMMITTEE COMPRISING OF THE FOLLOWING MEMBERS;

S Rajcoomar (Chairperson)	Chief Financial Officer
S Hlongwane (Alternate Chair)	ED: EDP
S Kubheka	ED: Corporate Services
D Pillay	Director: Expenditure
M Sithole	ED: Civil
S Jali	ED: Electrical
L Tshonapi	Demand Manager

C) TRAINING

Bid committee training has been advertised as a CQ by the SDF department and duly trained by an external service provider, namely Magumzane Trading in Q2.

D) CODE OF CONDUCT AND DECLARATION OF INTEREST

All personnel within the SCM unit together with other role players such as Tender committee members have signed the code of Conduct for SCM role players and have also declared their interest. It is a common practice that such declarations be reviewed annually to give personnel the opportunity to declare their interest should their circumstances alter within the financial year. Corporate Services with the take on of new personnel will introduce the declaration of interest as a measure to avoid future conflicts of interests; however, employees are encouraged to also do so when their circumstances alter within the financial year during their employment at KwaDukuza Municipality. At every meeting of Tender Committees, members are given the opportunity to declare their interests.

2.4.2.2 SCM CHALLENGES AND RECOMMENDATIONS

CHALLENGES	SOLUTIONS
Munsoft financial system ➤ Minimum /Maximum stock levels inadequate ➤ Unable to identify irregular expenditure	A meeting must be held with Munsoft to raise these issues
Section 16 and 17's are in the increase	SCM Practitioners have been instructed to extend quotations to more service providers should they not receive the desired number of quotations.
National Treasury taking too long to list/restrict defaulters	Unfortunately, in this matter, council must understand that this resides solely in the office of National Treasury. Council must comply with MFMA Circular 43 for restrictions.
Minimum and maximum stock levels	UNRESOLVED
Requests for buying not received timeously	All Requisitions must be received timeously to ensure full SCM compliance
Bid documents cannot be located timeously	An SOP has been developed.
Members in the service of the state	Trans union searches are conducted as well as MBD 4's checked. However, this is not always sufficient. With the introduction of the CSD, this problem will be resolved effective from 1 July 2019. Also note that a letter has been written to National Treasury giving them permission to verify members in the service of the state.
GRV's not being returned timeously or lost	All invoices to be signed by the user department and then submitted to the SCM Unit. A GRV will then be generated which will allow a quick turnaround time in the signing of GRV's
Incorrect CIDB Grading submitted	All gradings must be informed by the budget when capturing on CIDB
Non - attendance of bid committee members	Members to take heed of the council resolution taken, that bid committee meetings supersedes all other meetings.
Tenders taking too long to be evaluated	That the turnaround time of tenders should be in line with annexure F of CIDB for technical tenders and the GCC for non - technical tenders
Low expenditure	The procurement plan should be strictly adhered to. Current expenditure should have been at least 50%.
High value of Section 36's	Tenders should be called for, for the frequently approved S36's
Splitting of orders orders to avoid tendering processes. e.g. hire of plant and equipment, training, quarry products, plot clearing, electrical products, tree felling, street light maintenance, line clearing etc.	Tenders should be called for a 3 year period for these items
Irregular expenditure	<ul style="list-style-type: none"> - Departments to ensure proper planning - SCM Unit to identify timeously soon to be expired contracts and advise An item has been submitted to Manco and finance.
IT Equipment That it be noted that 2 brand new printers had been lying at the SCM Logistics department for +-2 years waiting to be connected. This expenditure could be deemed as fruitless and wasteful expenditure in terms of S32 of the MFMA There after a few officials who have yet to receive laptops in the SCM Unit. The SCM Unit further requires recording devices and projects for tender meetings.	That the ED CS appoints an outside service provider to connect. PC's and Laptops be prioritised for the SCM Unit
Cost containment measures not strictly adhered to	That the Municipal Manager intervene and signs all RFB's for catering costs. (Water for events, meals for events hosted by KDM). Procurement of these items are only applicable for meetings; workshops, interviews, training sessions etc. that are expected to last more than 5 hours.

Table 15: SCM Challenges

2.4.3 BY-LAWS

The Council has developed a set of by-laws in line with the proclamation of standard by-laws by the provincial MEC for Local Government. The municipality has developed and adopted a number of policies and some are being developed.

POLICIES
▶ KDM Staff Remuneration Policy
▶ Human Resource Development Strategy
▶ Priority Skills Strategy
▶ Leave Management Strategy
▶ Succession Planning
▶ Supervisor Development Strategy
▶ Recruitment and Selection Policy
▶ Staff Conditions of Service
▶ Performance Management Policy
▶ Recognition of Prior Learning Policy
▶ Conditions of Service Policy
▶ Exit Management Policy
▶ Cost Containment Measures

Table: HR Policies

CONSTITUTION, 1996: SECT 156: POWERS AND FUNCTIONS OF MUNICIPALITIES:

- ▶ A municipality may make and administer by-laws for the effective administration of the matters which it has the right to administer.
- ▶ A by-law that conflicts with national (Acts) or provincial legislation (Ordinances) is invalid.

MUNICIPAL STRUCTURES ACT, 117 OF 1998: SECTION 11(3):

- ▶ Council must exercise its legislative or executive authority by, inter alia, passing and implementing by-laws.

SECTION 12: EXECUTIVE AND LEGISLATIVE AUTHORITY STATES THAT:

- ▶ Only a member or committee of a municipal council may introduce a draft by-law in the council.
- ▶ A by-law must be made with a supporting vote of a majority of council members.
- ▶ No by-law may be passed by a municipal council unless the proposed by-law has been published for public comment in a manner that allows the public an opportunity to make representations with regard to the proposed by-law.

A By-Law only becomes effective from the date it is published in the Provincial Gazette and the Structures Act provides as follows:

1.2.3 SECTION 13: PUBLICATION OF BY-LAWS. A BY-LAW PASSED BY A MUNICIPAL COUNCIL:

- ▶ Must be published promptly in the Provincial Gazette, and, when feasible, also in a local newspaper or in any other practical way to bring the contents of the by-law to the attention of the local community; and
- ▶ Takes effect when published or on a future date determined in or in terms of the by-law.

BY-LAWS ASSIST IN:

- ▶ Addressing and regulating a particular situation or issue within the local community in, e.g. street trading, littering, nuisance, noise, parks, etc.
- ▶ Legislating on the safety and comfort of the residents within the municipal area and ensuring that certain kinds of anti-social behaviour are prohibited and punished if the prohibitions are not observed.
- ▶ Creating specific rights and obligations and informing people's interactions with the municipality through explicit regulatory mechanisms.
- ▶ Giving effect to policy in a way that is legally-binding on the community

2.4.4 WEBSITE

HIGHLIGHTS:

The website was developed on an Open Source platform called JOOMLA. It was developed in-house by the Website and Digital Media Officer. Because of it being developed internally, the Municipality made a savings estimated at R250000 - R500000 associated with the development of a municipal website of this nature.

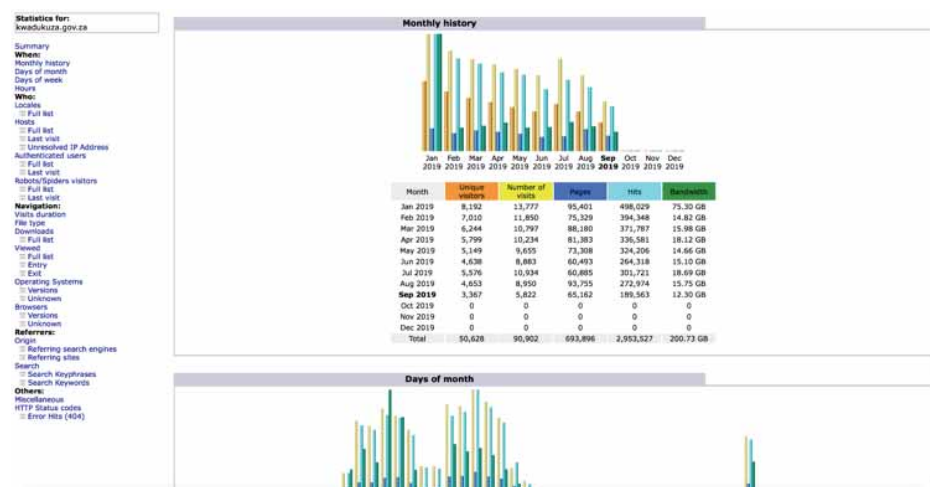
FEATURES OF THE WEBSITE:

However, on the current website, we can now view the following:

- ▶ Number of times a document has been downloaded.
- ▶ Number of unique visitors (per hour, day, week, month and year)
- ▶ Usage stats, meaning the flow of traffic taking place on our website.
- ▶ Collection of email addresses and visitor interest for future usage.

This means we can now send relevant information to the visitor based on their frequent activity on our website. As it stands, KDM still remains the only local municipality to have developed a website in-house in SA.

Data on visits to the website

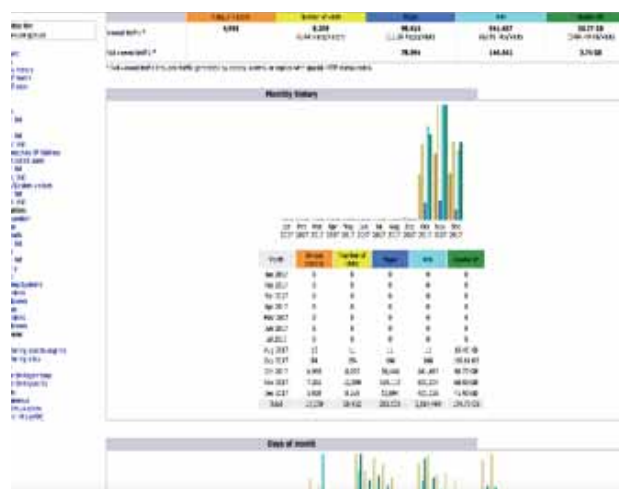


Documents download

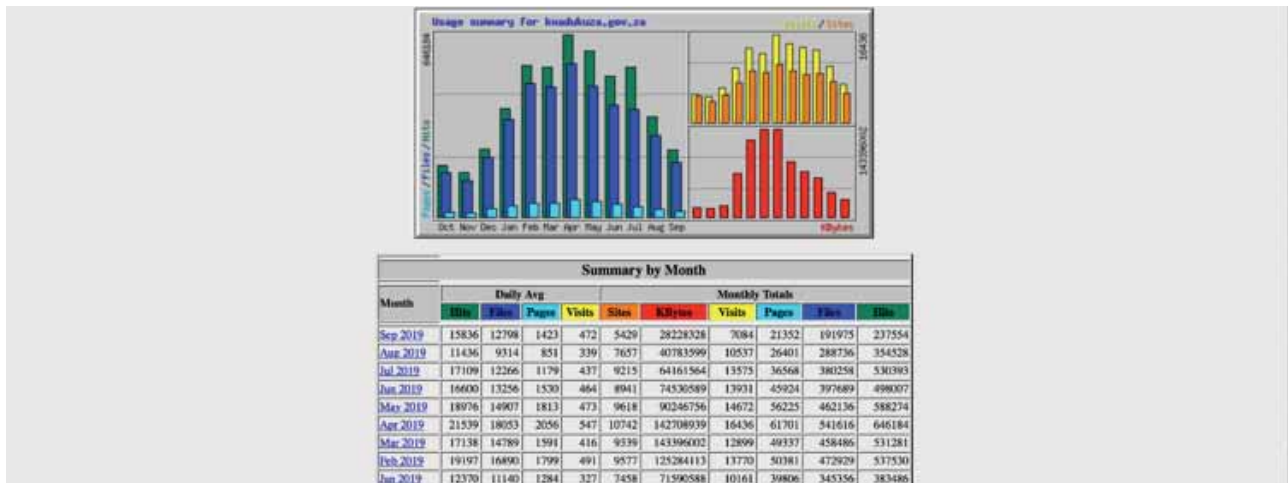
Search: [Go] [Reset]

Select Category: [25]

Published	Name	Access	Downloaded	Start Publishing	Finish Publishing	ID
<input checked="" type="checkbox"/>	Application Form for Employment (Wasc: application-form-for-employment) Category: Forms	Public	9720	-	-	74
<input type="checkbox"/>	Closing - 26 June 2019 (Wasc: closing-26-june-2019) Category: Vacancies	Public	4282	-	-	829
<input type="checkbox"/>	ECONOMIC DEVELOPMENT AND PLANNING BUSINESS UNIT (Wasc: economic-development-and-planning-business-unit) Category: Vacancies	Public	4266	-	-	868
<input type="checkbox"/>	THE TRAINEE TRAFFIC OFFICER INTERNSHIP PROGRAMME (Wasc: the-trainee-traffic-officer-internship-programme) Category: Vacancies	Public	4203	-	-	866
<input type="checkbox"/>	Closing - 26 June 2019 (Wasc: closing-26-june-2019) Category: Vacancies	Public	3227	-	-	924
<input type="checkbox"/>	PUBLIC NOTICE BOARDS VACANCIES (Wasc: public-notice-vacancies) Category: Vacancies	Public	2641	-	2018-09-18 13:29:48	350
<input type="checkbox"/>	JOB VACANCY: SITE ADMINISTRATOR (REFERENCE NO.2018/02/KZN/SA/01) (Wasc: job-vacancy-site-administrator-reference-no-2018-02-kzn-sa-01) Category: Vacancies	Public	2509	-	-	796
<input type="checkbox"/>	2508MAPP001: PUBLIC PARTICIPATION OFFICER (TASK GRADE 11: R 245 977.28 - R 320 600.52 p.a.) (Wasc: 2508mapp001-public-participation-officer-task-grade-11-r-245-977-28-r-320-600-52-p-a) Category: Vacancies	Public	2498	-	-	789



Usage statistics



Emails for website users

File Fields	anastanero@outlook.co.za	Registered Sectional Title Properties	Valuation Roll	06-08-2019 12:08:02	3166
File Field Groups	support@sleeping-out.co.za	Registered Sectional Title Properties	Valuation Roll	06-08-2019 09:08:07	3165
	geno@ctab.co.za	PARKING BYLAWS	ByLaws	06-08-2019 09:08:54	3164
	geno@ctab.co.za	SPLUMA By-law Amendment	ByLaws	06-08-2019 09:08:38	3163
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	geno@ctab.co.za	LUMS Document	ByLaws	06-08-2019 09:08:08	3161
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	vireshp@newlyngroup.com	LUMS Document	ByLaws	06-08-2019 09:08:30	3160
	janinembroil@gmail.com	Pensioner Rebate Form	Forms	06-08-2019 14:08:15	3159
	janinembroil@gmail.com	Pensioner Rebate Form	Forms	06-08-2019 14:08:02	3158
	rochellexul@gmail.com	BUSINESS LICENSE CHECKLIST	FAQs	06-08-2019 13:08:29	3157
	ekaldeen@gmail.com	Registered Full Title Properties	Valuation Roll	02-08-2019 21:08:54	3156
	jnsaarti@outlook.co.za	Registered Sectional Title Properties	Valuation Roll	02-08-2019 15:08:27	3155
	stefanogaras@me.com	Registered Sectional Title Properties	Valuation Roll	02-08-2019 14:08:20	3154
	pascalw@attorneys.co.za	Registered Sectional Title Properties	Valuation Roll	02-08-2019 11:08:38	3153
	janinembroil@gmail.com	Pensioner Rebate Form	Forms	02-08-2019 09:08:49	3152

FUTURE DEVELOPMENTS:

- To interface with our financial system and provide an online payment to consumers.
- Automated web system to log electrical faults/outages, and to follow the update on the logged call.

CURRENT DEVELOPMENTS:

- A staff Intranet has been completed and will be launched soon.
- A mobile app project is underway and a concept has been developed.

2.4.5 PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

SAMPLE DESCRIPTION

A sample can be described as a total amount of selected individuals from the target population to be surveyed. The total population for this survey was 870 people, which included households, formal and informal businesses, government departments, schools and clinics. In the residential rural areas , 30 households where visited to collect data and in urban areas 20 households where visited and 10 included business, schools, government departments and clinics

DATA COLLECTION

The data collection method used to obtain data were questionnaires which had close ended questions. The close ended questions were very significant for the respondents because they allowed respondents to choose the answer which most represented their feelings. The reason to use this type of method was because it's the simplest form to analyse data from a very huge number of respondents. The data analysis method used for this survey was data coding using the Microsoft excel programme. Coding is an analytical process in which data is categorised to facilitate analysis. Coding means the transformation of data into a form understandable by computer software.

RESPONDENT'S RECOMMENDATIONS

- ▶ The municipality should develop a WhatsApp platform to help communicate with its community,
- ▶ The municipality to also develop electronic publications systems consisting of the overall population of the municipality and send it through to its citizens which include the budget, annual reports and tariff changes.
- ▶ The municipality must develop the WhatsApp platform for community and councillor communication.
- ▶ Business units need to use the survey for future planning;
- ▶ Business units to create programmes that will help tackle the issues raised by the public,
- ▶ Business units to create five-year strategies that are in-line with the IDP which will help improve services that are requested by the public.



Wendy Oelofse: Chair - Audit Committee

2.4.6 MUNICIPAL OVERSIGHT COMMITTEES

OVERSIGHT COMMITTEE

The Council appointed 2 Oversight Committees, The MPAC oversight committee that is responsible for reviewing the Annual Report and develop an Oversight Report to Council of all performance issues within the reporting year. They also deal with any matters referred to them by Council for investigation. The Council also appointed the Audit and Performance Audit Committee who provides oversight to Internal Audit matters as well as Performance information on service delivery issues of Council.

2.4.6.1 PERFORMANCE AUDIT, AUDIT COMMITTEE AND RISK COMMITTEE

The Council is required by law to establish:

- a) An Audit Committee;
- b) A Performance Management Audit Committee; and
- c) A Risk Management Audit Committee.

The Audit Committee operates under a Charter approved by the Council and submits reports on its activities to the Council twice annually. However, to improve communication between the Audit Committee and the Council, the Mayor and the Chairperson of the Municipal Public Accounts Committee have a standing invitation to attend all meetings of the Audit Committee.



Zwile Zulu: Chair - Performance Audit Committee

INTERNAL AUDIT CAPACITY AND FUNCTIONALITY

KwaDukuza Municipality has an Internal Audit Activity which was established in terms of section 165 of the Municipal Finance Management Act , No 56 of 2003. Internal Audit Activity uses Internal Audit Standards and International Professional Practice Framework of Internal Auditing to guide in performing its internal audit services. Annual internal audit activities are detailed in the Risk -Based Annual Internal Audit plan which has been approved by Audit Committee.

The Risk -Based Annual Internal Audit plan consisted of twenty -eight audit assignments/projects with the audit of performance and financial information being scheduled to take place on the quarterly basis. The Internal Audit Activity is headed by Director who is assisted by three permanent staff and four Internal Audit Interns.

2.4.6.2 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE (MPAC)

Following the guidelines of the Department of Co-operative Governance and Traditional Affairs the Council has established a Municipal Public Accounts Committee. The Committee consists of 5 Councillors of the Municipality, who are not members of the Executive Committee. The Committee examines: -

- ▶ The financial statements of all executive organs of Council;
- ▶ Any audit reports issued by the Auditor General on the affairs of the Municipality and its Municipal Entity.
- ▶ Any other financial statements or reports referred to the Committee by the Council;
- ▶ The annual report on behalf of the Council.

It also: -

- ▶ Reports to the Council, through the Speaker, on any of the financial statements and reports referred to above;
- ▶ Develops the annual oversight report based on the annual report;
- ▶ It initiates any investigation in its area of competence; and
- ▶ Performs any other function assigned to it by resolution of the Council.

Members should not serve on any other committee. The Chairperson of the committee is appointed by the Council. MPAC has only one mandatory responsibility – to prepare a draft Oversight Report and other service delivery related matters. Any other responsibilities must be assigned by Council, through the adoption of a Terms of Reference (Charter). Council must also approve an annual Work Programme.



**Cllr. OL. Nhaca – Chairperson
of MPAC**

1. CLLR OL NHACA (CHAIRPERSON)
2. CLLR SMR MFEKA
3. CLLR NP DUBE
4. CLLR N QWABE
5. CLLR S NAIDOO
6. CLLR M MOTALA

2.4.7 TENDER APPEALS COMMITTEE

DATE	DESCRIPTION	NAME OF OBJECTOR	FINAL OUTCOME	DATE CLOSED	COMMENTS
16/10/2018	Gebane Investments Cc	MN 101/2017 - Construction Of Gizenga 33/11Kv Substation And Associated Works	Resolved	02/11/2018	Appeals Committee Meeting Convened
				05/11/2018	Appeals Committee Meeting Convened And Resolved To Recommend To The Accounting Officer
				04/02/2019	Accounting Officer Ratifies The Recommendation Of The Appeals Committee And The Approval For Cancellation Was Effected.
19/02/2019	Yebo Ys Projects	MN 113/2018: Supply, Install And Commission Of KDM Electrification Projects For 219 House Connections 2018/2019	Resolved	20/02/2019	Reasons For Disqualification letter issue
23/02/2019	Mega Test	Mn 113/2018: Testing, Fault Locating, Cable Identification And Very Low Frequency (Pressure) Testing Of Low (Lv) and Medium (Mv) Voltage Cables during Normal and After Normal Working For a Period Of Three Years	Resolved	20/02/2019	Reasons For Disqualification Letter Issued
27/03/2019	Tec Truck Plant And Civils	Mn 66/2018 – The Construction Of Gizenga Road Ward 9	Resolved	20/02/2019	Reasons for Disqualification Letter issued
15/04/2019	Marsh (Pty) Ltd	Mn 156/2018 Provision Of Short-Term Insurance for a Period of 36 Months (1 October 2019 – 30 September 2022)	Resolved	18/04/2019	Reasons for Disqualification Letter issued
12/04/2019	Indwe Risk Services	Mn 156/2018 Provision of Short-Term Insurance for a Period of 36 Months (1 October 2019 – 30 September 2023)	Resolved	18/04/2019	Reasons for Disqualification Letter issued
12/04/2019	Lateral Unison	Mn 156/2018 Provision Of Short-Term Insurance For A Period Of 36 Months (1 October 2019 – 30 September 2024)	Resolved	18/04/2019	Reasons for Disqualification Letter issued
03/06/2019	Go Plan Homes	Tender No Mn 93/2018 The Upgrade Of Internal Road Ward 4	Resolved	05/06/2019	Reasons for Disqualification Letter issued.another Letter Received On 11Th June 2019 And Responded To On 18Th June 2019

FUNCTIONAL AREAS PERFORMANCE OVERVIEW

3.1 COMPONENT A: BASIC SERVICE DELIVERY-

WATER AND SANITATION:

KwaDukuza experiences water disruptions on a regular basis. There is a huge disparity in provision of services. There is also a major service backlog and a lack of maintenance of existing infrastructure. Only half of the population has access to water. Reliance on ground water can lead to health impacts amongst the more vulnerable sections of the population, where ground water has become polluted through poor land use and/or burials near water courses. There is severe water shortage in the area which is exacerbated by new development applications. Umgeni water, KwaDukuza and iLembe cannot meet the current water requirements of existing users. The water shortage needs to be addressed at a strategic level and various bulk water options are being considered including desalination treatment plants, ways of reducing inefficiencies, waste and water loss need to be investigated. KwaDukuza Municipality experiences huge disparity where provision of sanitation is concerned. It also experiences major service backlogs. Approximately 59% of households have access to a basic level of formal sanitation service; however, 13% do not have any formal form of sanitation whilst 28% uses pit latrines. This could result in ground water contamination and could consequentially be detrimental to human health.

There is a lack of maintenance of existing infrastructure. Infrastructure is often poorly sited and has the potential to impact on the environment when it is not operating properly. There is one major sewer treatment works at KwaDukuza that pumps sewerage from other smaller sewer pumps across the Municipality. There is no bulk Municipal waterborne sewerage reticulation system available in areas including Blythedale and surrounds. Septic tank systems are used in many areas for disposal of liquid waste. Due to extensive housing developments especially along the coast, treatment works requires upgrading, however the iLembe Municipality have indicated that they are not currently in a position to provide a bulk service supply to upcoming developments.

The Lower Thukela Regional Bulk Water Scheme is intended to serve the area of KwaDukuza with potable water supply. The demand for water on the coastal area of KwaDukuza has increased and the current supply from the Umdloti and Umvoti river systems are insufficient to meet the projected water demand.

The project is implemented jointly by iLembe District Municipality and Umgeni Water and will cater for the:

- Current Demand,
- Future Private Developments of Commercial, Industrial and Residential Nature,
- Low Cost Housing Developments,
- Rural Areas Currently Served as Stand-Alone Schemes, and
- Rural Area that is Currently Un-Served.

The scheme will serve a total of 64,239 bulk connections to commercial and private units, 28,567 low cost housing units, augmentation of bulk to 3,349 rural households and bulk and reticulation to 3,083 rural households without services. The scheme is expected to cost a total of R 1,283,580,681.00 and is implemented in phases, subject to availability of funding. The iLembe District Municipality is also exploring the idea of a desalination plant to augment the above water schemes. The investigations are still at a preliminary stage.

3.1.1 ELECTRICAL AND MECHANICAL

BRIEF OVERVIEW

The Electrical Engineering Services business unit has the responsibility to provide a safe, reliable high-quality electricity and fleet service delivery and electrical infrastructure in an environmentally responsible manner, utilizing best practices through empowered employees who are committed to excellence and customer satisfaction.

APPLICATIONS PROCESSED	2018/2019
New supply connections	
New supply quotations	
Relaxation	133
Subdivision	17
Special concern	12
B3, A, 8, 9 & occupational certificate	10
Encroachments	13
Building plans	26
SDP	53
Wayleaves	70
Consolidations	5
Indigent	0
Relocations	0
Rezoning	4
Billboards	6
TOTAL APPLICATIONS PROCESSED	349

Table: Electricity applications

3.1.2 ELECTRICITY INFRASTRUCTURE

AREA	2012	2013	2014	2015	2016	2017	2018
Northern Network	57 MVA	57 MVA	57 MVA	57 MVA	60 MVA	61 MVA	61MVA
Southern Network	48 MVA	54 MVA	57 MVA	59 MVA	59 MVA	68MVA	69MVA
TOTAL	105 MVA	111 MVA	114 MVA	116 MVA	119 MVA	129 MVA	130MVA

ELECTRICAL PROJECTS IMPLEMENTED AS PRIORITIES DURING 2018/2019 FINANCIAL YEAR

#	PROJECT NAME	BUDGET	YTD EXPENDITURE	STATUS
1	Energy Efficiency Demand Side Management	5000000	4603500	Complete
2	Electrification	9920000	9279024	35% connections completed. 80% backbone infrastructure completed
3	New streetlights in Cluster A-G	4791209	2810229	40% complete
4	MV network upgrade	13798107	3747453	45% complete
5	Establishment of Dukuza 132/33/11kV substation	60000000	1176332	Design stage
6	MV upgrade	13798107	3747453	

PROJECTS HIGHLIGHTS

The electrification of 41 households at Etete, 89 at Steve Biko and 89 at Sakhamkhanya were major achievements for universal access to electricity. The Medium Voltage upgrade of Compensation 11kV phase 7 and 8 was completed. The retrofitting of 623 HPS streetlights with new LED fitting funded through Energy Efficiency Demand Side Management grant was achieved.

CHALLENGES

The readiness and availability of houses to be electrified is still the ongoing challenge on expenditure of INEP grant. The delays due to SCM processes possess challenges in spending of capital budget.

3.1.3 ELECTRICITY PLANNING AND CUSTOMER SERVICES FLEET SERVICES:

BUSINESS UNIT	ITEM DESCRIPTION	UNITS PROCURED	PROCUREMENT METHOD	BRAND	DEPARTMENT TOTAL - VAT Inclusive
Youth Development	Toyota Corolla Quest 1.6	1	Transversal Contract	Toyota	
Youth Development	Toyota Hilux 2.4 DG S/C 4x2 Diesel A/C	1	Transversal Contract	Toyota	
EDP LED Unit	Toyota Hilux 2.4 DG S/C 4x2 Diesel A/C	1	Transversal Contract	Toyota	
EDP LED Unit	Toyota Corolla Quest 1.6	1	Transversal Contract	Toyota	
OMM Public Participation	Toyota Corolla Quest 1.6	1	Transversal Contract	Toyota	
OMM- Internal Audit	Toyota Hilux GD-6 SRX R/B D/C Diesel	1	Transversal Contract	Toyota	
Community Safety	Toyota Corolla 1.8 Prestige	1	Transversal Contract	Toyota	
Community Safety	Toyota Corolla 1.8 Prestige	1	Transversal Contract	Toyota	
Community Safety	Toyota Corolla 1.8 Prestige	1	Transversal Contract	Toyota	
Community Safety	Quantum 2.5 Diesel 14 seater bus	1	Transversal Contract	Toyota	
Community Safety (Sea Rescue)	Hilux 2.4 GD-6 SRX 4x4 D/C Diesel	1	Transversal Contract		

CIVIL ENGINEERING SERVICES & PROJECT MANAGEMENT:

SERVICE DELIVERY APPROACH CIVIL INFRASTRUCTURE: MINOR ROADS RELATED WORKS AND COMMUNITY FACILITIES

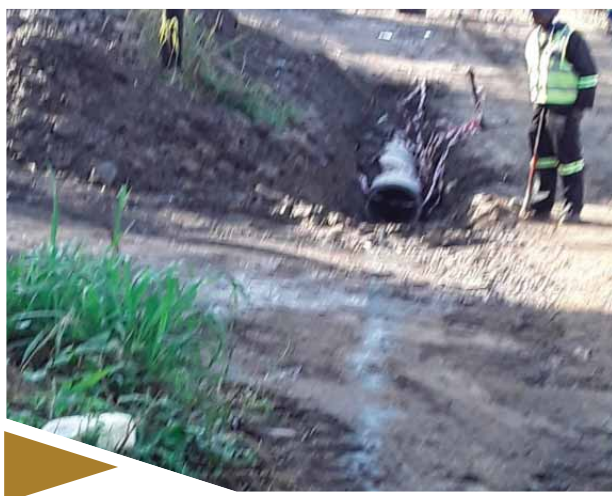
PROJECT NAME/ DESCRIPTION	OUTPUT	F.Y	COMMENTS
Mdlebeni Community Hall			To provide conducive facility for the meeting and activities for the community.
Groutville Community Hall			To provide conducive facility for the meeting and activities for the community.

MDLEBENI COMMUNITY UNDER CONSTRUCTION (WARD25)



ROADS AND STORMWATER PROJECT

PROJECT NAME/ DESCRIPTION	OUTPUT	F.Y	COMMENTS
Stormwater repairs in the Southern part of KwaDukuza (Ward 4, 8, 23 & 28)			Maintain and provide functional Stormwater system
Ward 2 Stormwater			Maintain and provide functional Stormwater system
Ward 2 Stormwater and road			Maintain and provide functional Stormwater system
Reinstatement of collapsed Stormwater at 38 Geranium Street in Ward 17			Maintain and provide functional Stormwater system Maintain and provide functional Stormwater system
Repair of ML Sultan Road in Ward 16			Maintain road to provide safe environment
Stormwater improvement in Ward 29			Maintain and provide functional Stormwater system
Repair sink hole and Stormwater pipe in ward 27			Provide safe environment and prolong lifespan of municipal infrastructure
Rehabilitation of Murugan Road in Ward 13			Maintain road to provide safe environment
Reinstatement of wooden bridge in Ward 18 / 5			Provide safe access to community
Resurfacing of road and construction of Stormwater crossing at Ward 17			Provide safe access to community
Clean road verges, replace broken manhole covers and jet Stormwater line in Ward 5, 16, 17, 12 & 18			Maintain and provide functional Stormwater system
Rehabilitation of flood damaged bridge in Ward 5			Provide safe access to community
Rehabilitation of flood damaged bridge in Ward 5			Provide safe access to community
Clean and high pressure jet Stormwater drains in Ward 13 & 19			Maintain and provide functional Stormwater system
Nkobongo Stormwater rehabilitation Ward 8			Maintain and provide functional Stormwater system



MUNICIPAL SERVICES: COMMUNITY SERVICES

WASTE MANAGEMENT

The waste management section during the 2018-2019 financial year has continued to improve its functionality through the introduction of managerial and monitoring tools in order to achieve its goals and objectives through the implementation of various strategies and systems to increase productivity in the delivery of services.

HIGHLIGHTS:

- ▶ Developed a monitoring tool to assist on the daily monitoring of street sweeping
- ▶ Procurement of 10 communal skips.
- ▶ Procurement of concrete street bins
- ▶ KwaDukuza yellow wood Transfer station upgrade (in progress)
- ▶ Obtained Authorization for KwaDukuza yellow wood Transfer station
- ▶ Integrated Waste Management Plan at situational analysis stage (in progress).
- ▶ Developed and continuous implementation of skip collection schedule in wards
- ▶ Education and awareness program for the whole of KwaDukuza jurisdiction.
- ▶ Maintenance of skip communal sites on regular basis.
- ▶ Increased number of hired skips through education and issuing of fines to people found dumping.
- ▶ Reinstated night shift program in order to deal with untidiness of the CBD
- ▶ Recovery of funds from one of the companies serviced by KDM through the use of skip monitoring schedule form

CHALLENGES:

CHALLENGES	POSSIBLE SOLUTIONS
Breakdown of trucks	<ul style="list-style-type: none">▶ Procurement of new waste management fleet.▶ Prioritize Waste Management▶ Regular servicing of trucks
Overflow and use of street concrete bin by shop owners	<ul style="list-style-type: none">▶ Street concrete bins to be used only by pedestrians
Tearing of refuse bags by informal waste collectors for recycling purposes and waste that is taken from the street and be brought back later after waste has been removed or collected by the Municipality	<ul style="list-style-type: none">▶ The issue of informal waste collectors (amaphara) to be looked at.
Inappropriate taking out of waste by CBD business owners	<ul style="list-style-type: none">▶ No waste to be taken out on weekends and after hours by CBD business owners
Illegal dumping of medical waste in our CBD	<ul style="list-style-type: none">▶ All Health Care facilities to use appropriate waste containers and proper approved disposal method
Increase volumes of illegally dumped waste in most wards due to non-availability of Wards EPWP staff	<ul style="list-style-type: none">▶ Regular community awareness and education▶ Community cleans up campaigns.▶ Employment of ward EPWP staff

Clean up done by someone found dumping illegally



Community awareness



Waste management staff dealing with illegal dumping



Waste management staff dealing with illegal dumping



HUMAN SETTLEMENT

HIGHLIGHTS:

- ▶ Enhanced Extended Discount Benefit Scheme Title Deeds Handover by the President of the Republic of South Africa C. Ramaphosa, former MEC R. Pillay and former Mayor Dr. N.R. Mthembu.
- ▶ Ilembe District Human Settlement and Infrastructure Summit -7&8 July 2018.
- ▶ Etete Phase Four Houses Handover Ceremony by former MEC R. Pillay and former Mayor Dr N.R. Mthembu
- ▶ Shayamoya Title Deed Handover Ceremony by former MEC R.Pillay and former Mayor Dr N.R. Mthembu
- ▶ Nkwazi-Siyembezi Phase Two Title Deeds Handover by former MEC R. Pillay and former Mayor Dr N.R. Mthembu
- ▶ Consumer Education by Capacity Building Deputy Manager Mr D. Ntuli
- ▶ Consumer Education by Rural Development and Land Reform

CHALLENGES IN HOUSING PROVISION

- ▶ Budget Cut-/Constraints
- ▶ Unavailability of Funds for Land Acquisition
- ▶ Land Invasion
- ▶ Illegal Sale of Council
- ▶ Discontinuing of rectification Programme
- ▶ Non-Prioritisation of Rural Projects
- ▶ Rapid increase of Population adds on the Housing Backlog
- ▶ No Budget Provision for Blocked Projects

FINANCIAL PROJECTIONS AS PER NATIONAL & PROVINCIAL BUSINESS PLAN

PROJECT NUMBER	PROJECT NAME	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET
K15100002	Charlottedale	R3 365 000	R1 000 000	R0
K20020029	Chief Albert Luthuli	R0	R7 722 000,00	R0
K07080006	Groutville Priority 1 Ph 2 Llyods	R34 564 126,00	R 18 292 934,00	R 24 466 799,00
K07080004	Groutville Priority 1 Ph 2 Ntshawini	R34 564 125,00	R 18 292 934,00	R 24 466 799,00
K04010006	Ethafeni	R3 158 025,00		
Still to be Approved	Groutville Priority 1 Ph 2 Sihle Phakathi	1 000 000,00	R 19 992 934,00	R 24 466 799,00
K04090001	Etete Phase 4	R30 890 190,00	R 18 362 501,00	R 29 471 815,00
K07080005	Groutville Priority 1 Ph 2 Chris Hani	R34 564 125,00	R 18 292 934,00	R 24 466 799,00
K06020002	Sakhamkanya Phase 2 Housing Project	R26 993 820,00	R18 827 934,00	R 25 182 361,00
K11080002	Sokesimbone	R 16 085 523,90	R 25 507 045,00	R 24 587 872,00
K03090001	Steve Biko Ph 2	R34 875 267,00	R 27 357 546,00	R 29 272 574,00

LEVEL 2 ACCREDITATION

KwaDukuza Municipality was first granted Accreditation Level 2 in 2013 with duration of three (3) years; it expired in 2016 and was extended with one year. In September 2018, was again assessed by the appointed Accreditation Panel to figure out whether they were still worth to be granted Level 2 Status and the results came back positive however, the contracts were not concluded as they were waiting for the new Cabinet after May 2019 Elections. Draft Implementation Protocol has been finalised and awaiting the date of the ceremony for signing them off from the office of the new MEC.

BLOCKED HOUSING PROJECTS

The Projects that fall within this category are mostly old Projects where some construction has been completed with only Subsidy Administration issues and Social facilitation is required to resolve beneficiary issues. Some Blocked Projects require funding to complete some milestones namely Town Planning, Conveyancing, expropriation etc, some projects will be funded using the Special Funding from the Swiss Economic Corporation Office and World Bank and this funding is mainly for those projects that require registering of Property (Title Deeds Restoration Programme).

KwaDukuza Municipality has developed a plan where some projects will be budgeted for each financial year.

The following project fall under this category:

NO	PROJECT NAME
1	Lindelani Phase2
2	Ext 46 Lindelani Phase1
3	Mbozamo Phase 1
4	STANGER EXTENSION 46: Senzangkona
5	Steve Biko Phase 1
6	Nkobongo Phase1
7	Nkobongo Phase2
8	Shakashead Phase 2
9	Ethafeni
10	Chief Albert Luthuli (CALLRUP)
11	Groutville Priority 5
12	Shayamoya Phase 2
13	Groutville P1
14	Groutville Priority 2
15	Dube Village

HOUSING RECTIFICATION PROJECTS

DEFINITION OF RECTIFICATION PROGRAMME

Rectification Programme is a programme that aims to assist projects that were implemented between 1996 and 2002. These are projects that were implemented when the subsidy was to minimum and the product resulted being small and with poor workmanship. KwaDukuza Municipality has nine (9) projects that meet the criteria of rectification programme.

ASSESSMENT CONDUCTED BY NHBRC

Projects have to be assessed by National Home Builders Regulatory Council (NHBRC) Inspectors to check what kind of rectification is required for each house of the projects. The Inspectors will then make recommendations and such will be approved by the MEC of Human Settlement.

PROGRESS TO DATE:

NO	WARD	PROJECT NAME	PROJECT STATUS
1.	18	Mbozamo	255 Houses have been rectified under this programme. There 173 houses outstanding to be approved. KDM has submitted the application to KZN Human Settlement Department for consideration.
2.	8	Nkobongo Phase 1 &2	NHBRC Assessment was done and report completed.
3.	25	Emdlebeni	NHBRC Assessment was done and report completed.
4.	5	Stanger Extension 46	NHBRC Assessment was done and report completed.
5.	9/10/11/12/14/15/26	Chief Albert Luthuli	NHBRC Assessment was done and report completed.
6.	13	Steve Biko Phase1	NHBRC Assessment was done and report completed

AFFORDABLE HOUSING

KwaDukuza Municipality took a resolution to initiate Integrated Developments. The main objective of this initiative was to promote people of different income brackets to live together. These developments will have various programmes within one development such as Low Income, Affordable (FLIPS), Community Residential Units (CRU), Social Housing, etc. The following are the projects that have been initiated and they are at various stages of implementation:

NO.	WARD	PROJECT NAME	IMPLEMENTING AGENT	PROJECT STATUS
1.	19	Rocky Park	Likhanyile Consulting Engineers	Construction Stage.
2.	11	Hyde Park Country Estate	Vumesa (PTY) LTD	Planning Stage
3.	11	Blythedale	Dlamini-Ndlovu Consulting Engineers	Planning Stage
4.	7/8/20/23/28	Vlakspruit Farm	BVI	Planning Stage
5.	18	Shakaville Extension	SMA Consultants	Planning Stage

SOCIAL HOUSING

KwaDukuza Municipality has the below approved Restructuring Zones:

RESTRUCTURING ZONE	AREAS
ZONE 1	KwaDukuza CBD, Rocky Park, Stanger Height, Doctorskop, Blythedale Beach and Hyde Park
ZONE 2	Shakaskraal, Umhlali, Salt Rock, Ballito, Compensation and Greater Driefontein

DEFINITION OF THE RESTRUCTURING ZONE:

The Restructuring Zone is a geographic area identified for targeted investment based on need for social, spatial and economic restructuring of the area/s. Individual sites do not constitute restructuring zones. In terms of the Social Housing Act it defines Restructuring Zones as the geographic area which has been-

- i) Identified by the Municipality with concurrence of the government for the purpose of Social Housing,
 - ii) Designated by the Minister in the Gazzete for approved project.
- The Restructuring Zone will be identified by Council and declared by the Minister of Human Settlements. Progress to Date:
- Council has approved projects within KwaDukuza Restructuring Zones.
 - KwaDukuza Civil Engineering and Human Settlement Business Unit is currently following SCM Procedures for the appointment of the Panel of Social Housing Institutions.



3.2 COMPONENT B: ROADS CONSTRUCTION AND MAINTENANCE

ROAD CONSTRUCTION, MAINTENANCE AND STORM WATER DRAINAGE

Lloyd Intersection is practically complete and final completion will be realised in 2 weeks and will be ready for hand over to the communities

Lloyd Intersection



Gledhow Asphaltting in Progress



Maphithiza Road Upgrade



Before construction



During construction



Before construction



During construction



Nyathikazi bridge under construction





KHALAFUKWE INTERNAL ROADS UPGRADE PHASE1 UNDER CONSTRUCTION (WARD20)



KHALAFUKWE INTERNAL ROADS UPGRADE PHASE1 COMPLETE (WARD20)



DRIEFONTEIN COMMUNITY HALL BEFORE REFURBISHMENT (WARD21)



DRIEFONTEIN CUMMINTY HALL DURING REFURBISHMENT (WARD21)



DRIEFONTEIN COMMUNITY COMPLETE (WARD21)



3.3 COMPONENT C: ECONOMIC DEVELOPMENT AND PLANNING-

SPLUMA IMPLEMENTATION

Development Applications Submissions: The table below reflects the number of development applications that were submitted to the municipality for Category 1 to 3 applications together with revenue raised. These are both pre-submission and formal submissions stages and covers mainly subdivisions, rezoning's, Scheme amendments or combined applications.

Table 1: Category 1 to 3 Application Submissions

PERIOD	NO of APPLIC.	REVENUE
Quarter 1	38	R343,863.13
Quarter 2	40	R116,475.00
Quarter 3	40	R282,415.00
Quarter 4	36	R94,531.00
TOTAL	154	R837284.13

Processed Applications: A total number of 87 development applications has been processed between the months of July 2018 and June 2019. The table below provides an overview of the progress that has been made to date:

Table 1: Applications Processed (2018/2019 financial Year)

APPLICATION PROGRESS	NUMBER
Number of applications approved	43
Number of applications disapproved	1
Number of pending applications	40*
Lapsed Applications:	1
Withdrawn Applications	2
TOTAL	87

*NOTES:

- Formal Submissions: 18 Pending Formal (including 6 deferred applications by the MPT)
- Pre-submissions: 22 Pending Pre-submissions (12 are awaiting responses from applicants)

Number of Record of Decisions (RoD's) Issued: Based on the above applications processed, the following Record of Decisions or Conditions of Establishment were processed:

Table 2: RoD's Issued (2018/2019 financial Year)

APPLICATION PROGRESS	NUMBER
Number of applications approved	41
Number of applications disapproved	1
Number of RoD's issued	36
Number of RoD's to be issued	5

MUNICIPAL PLANNING TRIBUNAL ACTIVITIES:

During the 2018/19 financial year, the KwaDukuza Municipal Planning Tribunal (MPT) has been sitting at least once a month to consider applications in which they may approve, disapprove and/or defer applications that do not have sufficient information to assist members on making an informed decision. In total, the tribunal sat a total of 13 times and below is a summary of MPT sittings for the year:

NO	DATE OF MEETING	APPLICATIONS CONSIDERED	MEMBERS IN ATTENDANCE	DECISION
1	13 Jul 2018	MPT 08/2018: Zimbali Lakes Township Establishment	1. Mr A Ngcobo (External- Chairperson) 2. Mr F Tomkins (External – Civil Engineering) 3. Mr B Mthembu (External – Environmentalist) 4. Mr M Sithole (Internal – Civil Engineering) 5. Mr Ndlovu (External – Legal)	Application approved
2	06 Sep 2018	MPT 08/2018: Hyde Park Township Establishment	1. Mr A Ngcobo (External – MPT Chairperson) 2. Mr F Tomkins (External – Civil Engineering) 3. Mr S Ndlovu (External – Legal) 4. Mr A Schultz (External – Town Planning) 5. M B Mthembu (External – Environmental) 6. Mr N Ngwane (Internal – Community Services: Director)	Application refused
3	20 Sep 2018	MPT 16/2018: Non-material amendment of the RoD dated 19 June 2018 for the development of the King Shaka Mall.	1. Mr F Tomkins (External – Civil Engineering) 2. Mr S Ndlovu (External – Legal) 3. Mr A Schultz (External – Town Planning) 4. M B Mthembu (External – Environmental) 5. Mr N Ngwane (Internal – Community Services: Director)	Application deferred
4	12 Oct 2018	a. MPT 17/2018: Ballito Hills Scheme amendment	1. Mr M Ntanta (Internal – Chairperson) 2. M B Mthembu (External – Environmental) 3. Mr S Ndlovu (External – Legal) 4. Mr Philani Cele (Town Planning) 5. Mr M Sithole (Internal – Civil Engineering) 6. Mr S Jali (Internal – Electrical Engineering)	Application approved
		b. MPT 18/2018: Ballito combined application		Application deferred
		c. MPT 19/2018: Relaxation of building lines for Erf 846 Ballitoville.		Application approved
		d. MPT 19/2017: Helmsley Estate combined application		Application approved
5.	29 Nov 2018	a. MPT 10/2018: Rezoning of Erf 587 Stanger and Relaxation of building lines.	1. Mr A Ngcobo (External – MPT Chairperson) 2. Mr A Schultz (External – Town Planning) 3. M B Mthembu (External – Environmental) 4. Mr F Tomkins (External – Civil Engineering) 5. Mr S Ndlovu (External – Legal)	Application approved
		b. MPT 20/2018: Relaxation of building line/ self-contained unit on Erf 455 Salt Rock.		Application approved
		c. MPT 21/2018: Building Line Relaxation / Rezoning of Erf 82 Ballitoville,	1. Mr M Ntanta (Internal – Chairperson) 2. Mr A Schultz (External – Town Planning) 3. M B Mthembu (External – Environmental) 4. Mr F Tomkins (External – Civil Engineering) 5. Mr S Ndlovu (External – Legal)	Application approved
		d. MPT 22/2018: building line relaxation/ rezoning/ Consolidation of Erf 2 and 3 Ballitoville		Application approved
		e. MPT 23/2018: Combined application for Erf 1279 Salt Rock		Application deferred
		f. MPT 24/2018: Rezoning of Erf 249 Shakaskraal.		Application approved
6.	19 Dec 2018	MPT 25/2018: Non-material amendment application to Zimbali Lakes RoD	1. Mr S Ndlovu (External – Legal: Presiding Officer) 2. Mr A Schultz (External – Town Planning) 3. M B Mthembu (External – Environmental) 4. Mr F Tomkins (External – Civil Engineering) 5. Mr Sithole (Internal – Civil Engineering)	Application partly approved
		MPT 26/2018: Springvale Estate Township Establishment.	1. Mr M Ntanta (Internal – Chairperson) 2. Mr S Ndlovu (External – Legal) 3. Mr A Schultz (External – Town Planning) 4. M B Mthembu (External – Environmental) 5. Mr F Tomkins (External – Civil Engineering) 6. Mr Sithole (Internal – Civil Engineering)	Application partly approved
				Application deferred
				Application deferred

MPT SITTINGS FOR THE YEAR...CONTINUED

NO	DATE OF MEETING	APPLICATIONS CONSIDERED	MEMBERS IN ATTENDANCE	DECISION
7.	14 Feb 2019	MPT 01/2019: Subdivision of Erf 1413 Ballitoville and relaxation of building lines	1. Mr A Ngcobo (External – MPT Chairperson) 2. Mr S Ndlovu (External – Legal) 3. Mr B Mthembu (External – Environmental) 4. Mr F Tomkins (External – Civil Engineering) 5. Mr F Naidoo (Internal – Development Control)	Application refused
		MPT 02/2019: Mgigimbe Township Establishment		Application deferred
		MPT 03/2019: amendment and special consent application for the Farm Verbara No. 16585		Application approved
		MPT 04/2019: Bluegum Estate Township Establishment		Application approved
8.	07 Mar 2019	MPT 05/2019: Priority 5 Groutville Human Settlement Project	1. Mr M Ntanta (Internal – Chairperson) 2. Mr Tembe (External – Legal) 3. Mr A Schultz (External – Town Planning) 4. M B Mthembu (External – Environmental)	Application approved
9.	13 Mar 2019	MPT 06/2019: Rezoning Consolidation of Erven 4486 and 4487 Ballitoville	1. Mr M Ntanta (Internal – Chairperson) 2. Mr S Ndlovu (External – Legal) 3. Mr B Mthembu (External – Environmental) 4. Mr F Tomkins (External – Civil Engineering) 5. Mr M Sithole (Internal – Civil Engineering)	Application approved
		MPT 07/2019: Subdivision and rezoning of Erf 410 Zinkwazi to create 11 residential erven.		Application approved
		MPT 08/2019: Relaxation of Building lines on Erf 190 Tinley Manor		Application approved
		MPT 27/2018: Madundube Human Settlement		Application approved
10.	10 Apr 2019	MPT 14/2018: Consolidation and rezoning of two erven to be used for commercial purposes.	1. Mr M Ntanta (Internal - Chairperson) 2. Mr B Mthembu (External – Environmental) 3. Mr P Cele (External – Town Planning) 4. Mr V Tembe (External – Legal)	Application approved
		MPT 09/2019: Non-material amendment of Palm Lakes DFA Judgment		Application approved
		MPT 10/2019: Rezoning of Portion 656 (Of 20) Of The Farm Lot 56 No. 931.		Deferred
		MPT 11/2019: Rezoning of Portion 638 (Of 619) Of The Farm Lot 56 No. 931		Application approved
		MPT 12/2019: Combined Rezoning, subdivision and consolidation application in Ballito Gardens		Application approved
11.	17 May 2019	MPT 18/2018: Ballito Hills Combined application	1. Mr M. Ntanta (Chairperson) 2. Mr P. Cele (External – Town Planner) 3. Mr B. Mthembu (External – Environmentalist) 4. Mr C. Pereira (Internal – Town Planner) 5. Mr M. Sithole (Internal – Executive Director: Civil Engineering and Human Settlements) 6. Mr S. Jali (Internal – Director: Electrical Engineering and Fleet Services)	Application referred to Council
		MPT 13/2019: Rezoning of Portion 1 And Remainder Of Erf 125 to be used for residential purposes		Application approved
		MPT 14/2019: Subdivision The Remainder Of Portion 161 Of Lot 71 No. 1524 To Create Two Erven		Application approved
12	05 Jun 2019	MPT 10/2019: MPT 10/2019: Rezoning of Portion 656 (Of 20) Of The Farm Lot 56 No. 931	1. Mr M. Ntanta (Internal Chairperson) 2. Mr. V. Tembe (External –Legal) 3. Mr. P. Cele (External – Town Planner) 4. Mr B. Mthembu (External – Environmentalist) 5. Mr M. Sithole (Internal – ED Civil Engineering & Human Settlements)	Application approved
		Mpt 15/2019: Proposed Special Consent Application For Base Telecommunications Transmission Station (Btts)		Application approved

MPT SITTINGS FOR THE YEAR....CONTINUED

NO	DATE OF MEETING	APPLICATIONS CONSIDERED	MEMBERS IN ATTENDANCE	DECISION
12	05 Jun 2019	MPT 16/2019: Combined rezoning, consolidation and removal of title deed conditions		Application approved
		MPT 17/2019: Proposed Special Consent Application - Medium Density Housing (19 Units) On Portion 146 Of Lot 71 No. 1524 Umhlali		Application deferred
13	19 Jul 2019	MPT 18/2019: Non-material amendment of an MPT Decision with MPT Ref MPT 11/2018	1. Mr M. Ntanta (Internal Chairperson) 2. Mr. S Ndlovu (External –Legal) 3. Mr. P. Cele (External – Town Planner 4. Mr B. Mthembu (External –Environmentalist) 5. Mr C. Pereira (Internal – Director: Special Projects)	Application approved
		MPT 19/2019: Rezoning, consolidation and building line relaxation		Application deferred
		MPT 20/2019: Rezoning of Erf 87 Stanger from MUCO 3 to MUCO 5 to be used for Funeral Parlour purposes.		Application deferred
		MPT 21/2019: Combined application to allow for the re-layout of Phase 3 Zululami Gated Estate.		Application approved

BUILDING CONTROL

A. BUILDING PLAN SUBMISSIONS

The total number of building plans submitted for the 2018/2019 financial year is 898, an increase of 234 in comparison with the 2017/2018 financial year. This resulted in the municipality generating an income of R 7 033 425. 78. This is more than that generated in the previous financial year which was R 4 398 929.94. Please see figure below for ease of reference.

	FINANCIAL YEAR		Variance
	2017/2018	2018/2019	
No. of Plans Submitted	664	898	234
Plan Fees	R 4 398 929.94	R 7 033 425. 78	R 2 634 495. 84

Table 1: Plan Submission and income

The following tables outline some of the major developments which took place in the financial years in question. Please note the difference between the building plan fees as the major developments have a great contributing factor in the ????????

LOT NO	DESCRIPTION	AREA	FEES	UNITS	EST VALUE (R)	AREA
10/9 PZ	New Units		70 023,86	11	R 100 400 000	6275
37/9/1178 SHK	Warehouse		29 135,00		R 11 040 000	1200
974 SB	New Units	Elaleni Estate	112 056,00	45	R 51 515 100	4 641
1039 & 1073 SB	Gatehouse & Offices	Elaleni Estate	37 644,00		R 17 094 000	1 540
498 SB	New Units		72 873,00		R 24 941 700	2 247
107 BRETT	Deviations	The Lakes	28 575,00	35	R 13 186 800	1188
108 BRETT	New Units		153 243,00		R 66 555 600	5996
9/1/55 PZ	Deviations	Zimbali Drive	27 627,00		R17 872 000	1 117
108 BRETT	New Units	Honeyguide	35 659,35	8	R 14 763 000	1330
1037 & 1038 SB	New Units	Unit 1 -12	40 029,00	12	R 18 137 400	1 634
1037 & 1038 SB	New Units	Unit 79 - 90	40 029,00	12	R 18 137 400	1 634
1037 & 1038 SB	New Units	Units 13 -30	47 184,00	18	R 18 137 400	1 634
3742 BA	New Units		84 329,00		R 35 264 700	3177
1283 SR	Offices	New Salt Rock Rd, MT Richmore	167 865,00		R 64 381 600	6998

Table 2 – Major Developments for the 2018/2019 financial year.

TABLE 2 – MAJOR DEVELOPMENTS FOR THE 2018/2019 FINANCIAL YEAR... CONTINUED

LOT NO	DESCRIPTION	AREA	FEES	UNITS	EST VALUE (R)	AREA
247 SHK	N/Warehouse	Valley Lane	13 808,00		R 3 180 800	497
1037 & 1038 SB	New Units		185 514,00		R 115 118 100	10371
82 BA	New Showroom	Sandra Road	30 517,00		R 10 653 600	1 158
4656 BA	New Units	Ballito Hills	192 669,00	58	R 89 077 500	8 025
4656 BA	New Units	Ballito Hills	210 795,00	59	R 97 569 000	8 790
1619 TMRP	New Units	Lake Great Bear	26 673,00	5	R 11 854 800	1068
132/1524 FH	Offices	Eden Village, Foxhill	17 610,00		R 6 357 200	691
4057 BA	New Units	Lee Barns Boulevard, Ballito	538 522,00	306	R 249 272 700	22 457
505 SB	New Units	32 Summit Road	45 767,00	16	R 16 826 800	1 829
1040 SB	New Units	Elaleni	113 503,00	36	R 51 948 000	4680
5490 SHK	Warehouse	Woodmead	84 037,00		R 21 344 000	3335
1864 SHK	Warehouse	Woodmead	33 915,00		R 8 448 000	1320
1870 SHK	Factory	Umzithi & Umkhoba	48 785,00		R 12 012 800	1 877
3718 BA	Storage Units	Jack Smith Road	171 760,00		R 62 523 200	6796
268 CR	New Units	Tahari	61461		R 23820600	2146
PRESUBMISSION						
4656 BA	Pre Sub	Ballito Hills	48 988,00		R 49 372 800	4448

B. BUILDING PLAN APPROVALS

The total number of building plans approved for the 2018/2019 financial year increased by 7 % from last financial year whilst the total value was R 1.9 Billion, a decrease of about R 247 Million from the 2017/2018 financial year, which was about R 2, 1 Billion. Please see table below for comparative figures over the two financial years.

	Financial Year		Variance
	2017/18	2018/2019	
No. of Plans Submitted	683	734	51
Estimated Property Value	R 2, 176 077 600	R 1, 928 400 200	(R 247 677 400)

Table 1: Building Plans approved

C. COMPLETIONS

A total of 567 occupation certificates were issued for the 2018/2019 financial year. This is an increase of 46 from the previous financial year, as a total of 521 occupation certificate were issued. This increase adds to the upward trend of issuing Occupation Certificate experienced that last two financial years wherein the municipality has introduced reforms which are focused on efficiently processing both Building Plans and Occupation Certificates.

2018 DATA ON BUILDING ACTIVITIES AS RELEASED BY STATISTICS SOUTH AFRICA

Every year, Statistics South Africa (Stats SA) releases an annual report on selected building statistics of the private sector as reported by Local Government Institutions (Statistical Release P5041.3). The latest report release if for year 2018 and it contains aggregated data for the twelve months of 2018 by province, municipality and type of building. Information covered include building activities relating to, amongst others, value of building plans passed, the value of buildings plans completed. In relation to KwaDukuza, the main areas that have been measured within KwaDukuza are Ballito (includes Salt Rock, Sheffield, Zimbali), Blythedale Beach, Shakaskraal, KwaDukuza, Tinley Manor Beach, Zinkwazi Beach.

A. SUMMARY OF KEY FINDINGS

Below is a summary of some of the key findings that have been taken from the report:

- ▶ Value of recorded building plans passed by larger municipalities for 2018 by type of building - the value of building plans passed for 2018 amounted to R111 905,7 million, showing a decrease of 1,1% compared with 2017.
- ▶ The highest provincial contribution to the total value of building plans passed during 2018 was reported for Gauteng (contributing 33,0% or R36 939,0 million to the total of R111 905,7 million of South Africa), followed by Western Cape (29,4% or R32 922,0 million) and KwaZulu-Natal (19,3% or R21 624,4 million).
- ▶ The combined value of building plans passed for the eight metropolitan municipalities contributed 72,1% or R80 702,1 million to the total value of building plans passed (R111 905,7 million) during 2018.
- ▶ The highest metropolitan percentage contribution to the total value of building plans passed during 2018 was recorded by City of Cape Town (20,5% or R22 985,7 million), followed by City of Tshwane (14,9% or R16 664,3 million), eThekweni Metropolitan Municipality (14,5% or R16 181,4 million) and Ekurhuleni Metropolitan Municipality (8,5% or R9 547,6 million).

(Source: STATS SA Report - Selected building statistics of the private sector as reported by local government institutions 2018)

B. CONCLUDING REMARKS

Over the years, the Municipality has been tracking the statistics as released by Stats SA as it important that the Municipality 'measures' itself against other municipalities so as to track its building activities in comparison to the rest of the country. From the 2018 statistics and analysis by Stats SA and also taking into account the previous stats

(2017), it is apparent that the Municipality's statistics have relatively dropped in terms of value of building plans passed whereas building plans completed received a slight increase. In 2017, the Municipality contributed 17.6% (R2.35 billion) as compared to last years (2018) 11.6% (1.067) in terms of value of building plans completed. This is in line with KwaZulu Natal province's decrease from previous years' statistics which is a result of the economic climate throughout that the country finds itself in. The Municipality contributed 9.3% (R 2.128 billion) as compared to 10.6% (R2.296 billion) in the current year under review (2018) in relation to value of building plans completed.

Whilst they may have been a drop in terms of value of the building plans passed, the Municipality is still performing relatively well and above average as compared to other similar size and even bigger municipalities (e.g. metros). The drop may be as a result of the approval of some of the building plans for big projects such as Ballito Junction, KwaDukuza Mall, etc. whereas these came to completion in 2018 which is reflected by the slight increase. What is clear though is that the sustenance of relatively good statistics in relation to building activities is still mainly driven by the residential developments, meaning that a lot of population see KwaDukuza as a place of residence. Some of the implications for this is the need to ensure that the requisite recreation and social facilities such as schools, etc. needs to also be implemented as part of the mainly residential development. This is critical more so for the middle- and low-income population whereby the Municipality needs to ensure that all relevant stakeholders (especially sector departments such as Education) are aware of this growth for them to plan for such facilities within the municipalities' jurisdiction.

OUTDOOR ADVERTISING

APPLICATIONS ASSESSED

Category	Previous Year(2017/2018)	Current Year (2018/2019)
Permanent Signage	34	40
Temporary Signage	85	99
Total	119	139

FINANCIAL STATISTICS (EX VAT)

Category	Previous Year(2017/2018)	Current Year (2018/2019)
Application Fee & Display Fees	R 225 426.96	R 290 943.84
Service Providers	R 1 283 248.12	R1 497 076.36
Total	R 1 508 675.08	R 1 788 020.20

*It must be noted that the figures reported in the close out report for 2017/2018 was inclusive of vat. This report is submitted exclusive of vat to ensure income received is reported accordingly.

The Financial Statistics project the Revenue that Council has received from the Outdoor Advertising Applications received, annual display fees and the income received from Outdoor Advertising service providers.

OUTDOOR ADVERTISING SERVICE PROVIDERS

Outdoor Advertising service providers appointed by Council, the service providers are responsible for supply, maintenance and marketing of the opportunities for outdoor advertising, rights were granted to service providers in exchange of monthly revenue for Council.

Category	Service Provider	Expiry Date Of Contract
1. Street Name Signs (MN 64/2014)	Primedia AD Lites	30 June 2020
2. Street Pole Signs (MN 179/2014)	Masakhe Media	06 April 2020
3. Litter Bins (MN 66/2014)	Outdoor Network	30 June 2020
4. Billboards (MN 67/2014)	Primedia Outdoor	Reduction of Scope in process.
	Outdoor Network	31 December 2020
	Ibizo Projects	Contract Terminated

OUTDOOR ADVERTISING STRATEGIES IMPLEMENTED

OUTDOOR ADVERTISING SIGNAGE AUDIT

The Outdoor Advertising Unit as reported at various portfolios has embarked on an Outdoor Advertising Audit, of which the scopes of work were to conduct a physical inspection of properties and businesses within KwaDukuza, thereafter this was mapped onto the Municipal GIS system and notices were being issued.

A total of 150 notices have been issued for the 2018/2019 financial year from a signage audit of approximately 800 properties/businesses that have signage.

BENEFITS OF THE OUTDOOR ADVERTISING SIGNAGE AUDIT

The Outdoor Advertising Signage Audit will be beneficial as the notices issued will make property owners and businesses aware of the Outdoor Advertising Bylaw thus improving bylaw compliance. It will manifest in better control of Outdoor Advertising and improvement of the aesthetics of our surroundings. It will further serve as a data base for Outdoor Advertising, and potentially become revenue for Council.

NEW OUTDOOR ADVERTISING TRENDS

Digital signs are made for creating great first impressions, and many municipalities have already discovered how significant their impact can be, as new marketing trend within the Outdoor Advertising industry, the Outdoor Advertising Unit has concluded and completed all processes for the following Digital Billboards which were introduced and installed in the 2018/2019 financial year and all amendments to contracts were concluded and closed off in February 2019.

- ▶ 1x Existing Billboard changed from a static Billboard to a Digital Billboard on the M4 behind Lifestyle was concluded in October 2018.
- ▶ 1x Digital Billboard on the P445 outside virgin Active was concluded in January/ February 2019.

Digital Advertising is beneficial as it's a great alternative (or complement) to paper advertising. The municipality can benefit by going green and significantly reduce the amount of paper waste by promoting events and businesses digitally. Digital Advertising has a higher impact on communities and is a potential market trend that will bring in revenue for Council; it will improve and uplift communities, businesses and the outlook of our region.

1.4 COMPONENT D: COMMUNITY AND SOCIAL SERVICES VULNERABLE GROUPS:

CHALLENGES	INTERVENTIONS
Consolidation of reports	Consolidated reports to be submitted to Head OSS
Inconsistent meetings for vulnerable groups	Hold consistent meetings
Lack of coordinated effort with Department	Have structured coordination of weekly activities
Unavailability of current updated ward-based database for people with disabilities	Employment of Admin support officer to take care of all Administrative issues
A true reflection of infections may not be complete because of silo mentality in coordination	Coordination of efforts with sector departments to address challenges
Ward Aids Committees do not sit as a result there is no information shared with Local Aids Committees	Consistent and timeous sitting of ward committee structures
IF LAC does not receive information nothing will be sent to DAC and PCA	Preparation of reports by the Local Aids Councils (LACs)

I) SENIOR CITIZENS AND WOMEN EMPOWERMENT

NAME OF CAMPAIGN	PURPOSE	#OF PEOPLE PROVIDED SERVICES	# OF PEOPLE REACHED WITH BEHAVIOUR CHANGE MESSAGES
20 June 2019- Catoni Lounge – Couple Year Protection	Health Screening, Family Planning, Pap Smears, Hypertension And Diabetes Screening	28	28
13 June 2019 Senior Citizens Event	Health Screening, Hypertension And Diabetes Screening , Dental Services, Eye Screening	63	63
Dawnside And Railway Station-Russel Street-Health Screening	Health Screening, Family Planning,, Hypertension And Diabetes Screening ,	17	17

II) HIV/AIDS

NUMBER OF INFECTIONS AND AIDS RELATED INFECTION IN KWADUKUZA.

IDENTIFIED ISSUES	STATISTICS IN KWADUKUZA MUNICIPALITY
HIV/AIDS AND TB Total : Adult remaining on ART	32 962
Total number infected with TB	28
HCT PROGRAMME: Total number of people tested positive	442
MALE CIRCUMCISION	157
CONDOM DISTRIBUTION: Male condoms distributed	182500
Female condoms distributed	1380

Figure 1 - Number Of Infections And Aids Related Deaths

PHILAMNTWANA ROLL OUT

LOCAL MUNICIPALITY HAS LAUNCHED THE FOLLOWING CENTERS:

DISTRICT:KWA DUKUZA SUB DISTRICT	ILEMBE
Total Number Of Phila Mntwana Sites	8
Number Of Pm Sites Operating At The Ecd Sites	2
Number Of Pm Sites Operating At The War Rooms	4
Total Number Of Children Monitored /Seen	126
Children With Yellow Muac	0
Children With Red Muac	0
Number Referred For Malnutrition(Mam Or Sam)	0
Children Referred For Diarrhoea	0
Children Referred For Immunization	3
Children Referred With Tb Signs	0
Children 18 Months & Older Referred For Pict	3
Children Given Vitamin A	63
Children Given Deworming	53
Children Referred For Developmental Screening	0
Children Referred To The War Room (Other Depts.)	0
Number Of Cases Closed	3

CRIME STATISTICS

TYPES OF CRIME IN KWADUKUZA

TYPE OF CRIME IN KWADUKUZA MUNICIPALITY	2017/2018	2018/2019
Murder	1	0
Attempted Murder	0	0
Armed robbery	0	4
Theft of Motor Vehicles	2	7
Recovery of Motor Vehicles	0	0
Drunken Driving	29	61
Possession of Dagga	3	15
Section 36 – Property Suspected to be Stolen	0	0
Rape	0	1
Possession of Dangerous Weapons	1	2
Reckless & Negligent Driving	1	4
Dealing in Fake DVDs	2	3
Housebreaking	0	0
Possession of Stolen Property	0	5
Theft	4	2
Execute warrant of arrest	4	1
Possession of dependant producing drugs (Whoonga)	1	12
Displaying false licence discs on motor vehicle	0	0
Dealing in Drugs: Rock, Cocaine, Mandrax tablets	0	11
Illegal Trading	0	0
Dog Complaints	0	0
TOTAL	48	128

LIBRARIES, MULTI-PURPOSE COMMUNITY CENTRE AND COMMUNITY HALLS

LIBRARIES

The primary purpose of the public libraries is to provide resources and services in a variety of media to meet the needs of individuals and groups for education, information and personal development including recreation and leisure. They have an important role in the development and maintenance of a democratic society by giving the individual access to a wide and varied range of knowledge, ideas and opinions.

The KwaDukuza Municipality has a total of six libraries as follows:

BIGGER LIBRARIES



KWADUKUZA LIBRARY



BALLITO LIBRARY



STANGER MANOR LIBRARY

SMALLER LIBRARIES



SHAKASKRAAL LIBRARY



UMHLALI LIBRARY



DARNALL LIBRARY

FOLLOWING ARE THE SERVICES THAT ARE OFFERED BY THE KWADUKUZA LIBRARIES

LIBRARY	BOOKS	AUDIO VISUAL	COMPUTERS FOR PUBLIC	CYBER CADET	GAMING	TOY LIBRARY	Mini Library for the Blind	E- BOOKS	ACTIVITIES ROOM
KwaDukuza	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes
Stanger Manor	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes
Ballito	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Shakaskraal	Yes	Yes	Yes	Yes	Yes	No	No	Yes	No
Umdlali	Yes	Yes	Yes	No	No	No	No	Yes	Yes
Darnall	Yes	Yes	Yes	No	No	Yes	No	Yes	No

CYBER CAFÉ:

A Cyber Café that was funded by Provincial Library Services can be found at the KwaDukuza, Stanger Manor, Ballito, Shakaskraal, Umdlali and Darnall Library. KwaDukuza, Stanger Manor and Shakaskraal library have a Cyber Café to ensure the smooth operation of these Cyber Cafes. The Cyber Cadets also offers the free basic computer training to the interested library users and the certificates of attendance are being issued to the attendees after completion of the training. KZN Provincial Library Services have provided Ballito, Umdlali and Darnall library with public access computers with free internet access and the KwaDukuza Municipality is responsible to provide IT support in all libraries. The Cyber Cafes are free internet services that are available to the public.



OUTREACH PROGRAMMES:

The KwaDukuza libraries undertake and participate in many outreach programmes. The aim of the outreach programmes is to promote the services offered by the libraries and encourage people to enrol at the library with a view to educate our entire community. Librarians also assist in setting up school libraries so that children who are unable to visit the public libraries at least have some exposure to books by visiting the school libraries. Different outreach programmes have taken place in this financial year, some of them were held at the libraries and some at schools and open space.

Below is the promotional material that is given to the children during outreach programmes.



Below is the outreach programme that took place at Gledhow Grounds.



Below is Ashville Primary School visited Stanger Manor Library during the Library Week in March 2019



Poetry Thursday is taking place at KwaDukuza Library every Thursdays.



UNISA open day at KwaDukuza Town Hall on the 27th of August 2018



Below is a Department of Arts and Culture Mobile Library truck which is used to promote the library services during the outreach.



MINI LIBRARY FOR THE BLIND

The Mini library for the blind was introduced at KwaDukuza library was introduced by KZN Provincial Library Services. The KwaDukuza Library have received all the necessary equipment which is: Desktop computer which is installed with the Jaws programme, Document Reader, Daisy Machine, Table, 2 Chairs, Filing Cabinet, Banner and two posters for promotion.

The library works with the community and the social worker to get more people aware of the service that is provided at the KwaDukuza library. Banner and posters informing the community about this service

are displayed at KwaDukuza library. We currently have 16 registered members who have received their Daisy machines. The project is steadily growing.

E-BOOKS SERVICES

All KwaDukuza libraries offer e-books services which allow members to access books on tablets, smartphones and Chrome books. It is reported that Ballito library currently has the highest e-books registered members. E-books service is available 24/7 and it's easy: browse checkout, download, automatic returns and no late fees. Visit your library for step by step on how to access e-books.

COMMUNITY HALLS

The KwaDukuza Municipality halls are as follows:

NO.	NAME OF HALL	WARD
1	Sokesimbone Hall	1
2	Zamni Hall	2
3	Nonoti Old Library	2
4	Nyathikazi Hall	3
5	Nonoti Mouth Hall	3
6	Shakashead Hall	4
7	Lindelani A Section Hall	5
8	Lindelani E Section Hall	5
9	Velani Hall (Tete)	7
10	Nkobongo Hall	8
11	Malende Hall	9
12	Hangus Hall	9
13	Mgigimbe Hall	9
14	Groutville Hall	10
15	Thandanani Hall	11
16	Thembeni Hall	12
17	Glenhills MPCC Hall	13
18	Lloyd Hall	14
19	Chris Hani Hall	15
20	Mdoniville Hall	16
21	Stanger Manor Hall	17
22	Shakaville Hall	18
23	Mbozamo Hall	18
24	Town Hall	19
25	Supper Room Hall	19
26	R.A. Moodley Hall	19
27	Etete Snyman Hall	20
28	Driefontein Old Hall	21
29	Driefontein Hall	21
30	Shayamoya Hall	23
31	Vulinqondo Hall	25
32	Ohlange Hall (Incomplete)	25
33	Ntshawini Hall	26
34	Madundube Hall	27

Below table shows the major renovations done at the halls during 2018/2019 financial year:

HALL NAME	WARD NO.	NATURE OF RENOVATION	FINANCIAL IMPLICATIONS
Glenhills MPCC	13	Complete fencing	R 104 463.08 Mapcrete
Lloyd Community Hall	14	Replace wire fencing with concrete palisade fencing.	R 243 465.74 Mapcrete
Zamani Hall	02	Replace wire fencing with concrete palisade fencing.	R 228 441.33 Mapcrete
RA Moodley Hall	19	Repair fence and install fence screen	R 24 387.98 Mapcrete
Shakaville Hall	18	Repair fence	R 15 940 Mapcrete
Velani Hall	07	Repair fence	R 43 697.80 Mapcrete

HALL NAME	WARD NO.	NATURE OF RENOVATION	FINANCIAL IMPLICATIONS
Lloyd Community Hall	14	Supply and install driveway and burglar gate.	Zama Zama Eng R 20 585
Madundube Community Hall	27	Repair and replace stolen burglar gate, main door gate and fencing.	Zama Zama Eng R 8 165
RA Moodley Hall	19	Install 3 Burglar gates	Zama Zama Eng R 12 765
Shakashead Hall	04	Supply and install burglar gates at main door and side door.	R 28 175 Zama Zama Engineering
Shakashead Hall	04	Supply and install aluminum doors	R 28 975 Mr Glass
Shayamoya Hall	23	Install burglar gates.	R 20 458.50 Zama Zama Engineering
Velani Community Hall	07	Supply and install burglar gate at the foyer.	R 12 650 Zama Zama Engineering.
Zamani Hall	02	Replace driveway gate	R 20 458.50 Zama Zama Engineering
Thembeni Hall	12	Supply and Install burglar gates	R 23 897 World Design Engineering
Thembeni Hall	12	Supply and install aluminum doors	R 19 750 Mr Glass
Malenda Hall	09	Supply and install aluminum doors	R 19 750 Mr Glass

HALL NAME	WARD NO.	NATURE OF RENOVATION	FINANCIAL IMPLICATIONS
Thembeni community Hall	12	Full renovation	R 111 149.60 Uwelile (Pty) Ltd
Lloyd Community Hall	14	Floor tiling	Blue Eyez P.S. R 92 505
Shakaville Hall	18	Major plumbing repairs	R 26 800 Levels Universe (Pty) Ltd

MULTI- PURPOSE COMMUNITY CENTRE (MPCC)

The Glenhills MPCC became fully functional during the council's previous terms (2011-2016). The operations of this centre took place after the review of the 1st generation of the MPCC in the country by the GCIS and Office of the Presidency. This culminated in the adoption of the branding name of MPCC to the Thusong Community Centre's. The Glenhills MPCC/Thusong Centre has been identified as a unique case because of its location and proximity to existing community service centers (Government Offices in the CBD). The operation of the MPCC is based on the objectives of the strategic 2nd generation which are:

- ▶ To bring government information and service providers closer to the people to promote opportunities as a basis for improved livelihoods.
- ▶ To promote cost-effective, integrated, efficient and sustainable service provision to better serve the needs of citizens.
- ▶ To build sustainable partnerships with government, business and civil society.
- ▶ To create a platform for greater dialogue between citizens and government,

Therefore, the Glenhills MPCC strive to fulfill its mandate taking into account its location and proximity to various government services within KwaDukuza CBD.

- ▶ The Glenhills MPCC has been operating in pursuit of its original inception goals and in line with Thusong Service Centre Operating Guidelines/Business Plan.
- ▶ The MPCC over the years have persuaded various government agencies to take permanent residency in the centre but all in vain. The main reason for the government agencies/departments not to take permanent occupation at the centre is it's proximity to KwaDukuza CBD, where most of them have permanent offices.
- ▶ The MPCC does house some of government agencies but not on a permanent basis.
- ▶ The MPCC has been able to forge various partnerships with various community-based organizations/service providers who provide various services to the ward 13 community.
- ▶ KwaDukuza Municipality also has allocated ward 13 councilor, an office to service his constituency. The presence of the councilor at the Centre has added value to the operations of the centre and ensures that government is closer to the community.
- ▶ KwaDukuza Municipality participates in the provincial MPCC Centre Manager's Forum and also submits bi-monthly MPCC operations report. Therefore, the Centre operations are also monitored by COGTA.
- ▶ KwaDukuza municipality, in particular the MPCC Centre supervisor has received letters and verbal commendation by COGTA for having one of the best performing Centre despite its site location.

The below report provides daily/weekly activities that are taking place in the Centre which are provided by private sector, civil society and government departments.

DAILY SERVICES AND ACTIVITIES OFFERED AT THE CENTRE

ACTIVITY	DAYS	COMMENTS	RENTALS
Karate	Mondays or Wednesday's depending on the booking and payment.	They utilise the hall on some Mondays and Wednesdays of the month.	R 200.00 Monthly rental
Dance Lessons	Thursdays	The Hall is utilised for dance lessons, whereas the students are taught at a fee.	R 200.00 Monthly rental
Church	Sundays	Church has commenced with the bookings and therefore utilise the hall every Sundays.	Hall Tariffs (R 410.00 per service)
ABET	Monday's-Thursdays	The school has submitted a letter requesting exemption and their request is still being processed by administration.	Provisional Exempted
Operation Sukuma Sakhe War room	Friday's on a fortnightly basis	Operation Sukuma Sakhe is an initiative that seeks to ensure that communities work hand in hand with Government Departments in an effort to eradicate poverty by empowering themselves to skilfully fight the war on poverty.	Exempted
The Department of Social Development (Social worker: Ms NP Gumede)	Wednesdays	The area social worker occupies an office at the MPPC so as to efficiently address social ills and to increase the notion of accessibility.	Exempted

PARKS & GARDENS

HIGHLIGHTS:

- Implementation of a formal garden refuse collection program
- Initiation of the Project, "upgrade to Theunissen Road Park, which is a flagship Park.
- Completion of the upgrade to the OK Mall Public Ablution block. A coin operated access system has been installed as a pilot project and is successful.
- Completion of the Project, "Demolition and reconstruction of the Shakaskraal Public Ablution facility"
- Procurement of concrete street bins

- Won an award at the Natal Witness Garden and Leisure Show
- The municipality took Part in the Arbour City awards and has proceeded to next round of judging which is the provincial level.
- Training staff in tree felling/ trimming.

CHALLENGES

- Lack of skilled staff
- Aged fleet which is continually breaking down and take a long time to repair.
- Lack of vehicles
- No specialized vehicles e.g. cherry picker, therefore the department has to rely on other departments

PROJECTS COMPLETED:

1. REHABILITATION OF THE OK MALL PUBLIC ABLUTION - WARD 19

Entire facility refurbished and installed a new coin operated turnstile.



BEFORE



AFTER



BEFORE



AFTER

2. DEMOLITION AND RECONSTRUCTION OF THE SHAKASKRAAL PUBLIC ABLUTION FACILITY – WARD 28

Demolished old ablution facility due to it not being on council property and constructed a new one.

New facility incorporates better natural lighting and disabled facilities



BEFORE



AFTER



BEFORE



AFTER

3. CONSTRUCTION OF SHAKASHEAD SWIMMING POOL – WARD 4

Brand new facility was constructed



4. CONSTRUCTION OF SALT ROCK BEACH ACCESS ROAD - WARD 22

The beach access was upgraded and gabion baskets were installed on the embankment next to the access.



CEMETERIES & CREMATORIA

HIGHLIGHTS:

- Completion of an upgrade to the KwaDukuza Crematorium storm water management.

CHALLENGES:

- Shortage of burial space in the Northern section - the identification process is in progress.
- There is a need for a Manager or Superintendent to manage the section because currently there is only a Foreman who reports directly to the Deputy Director and as such the attention to the day to day operations of the section is compromised.

PAINTING THE EXTERIOR OF
KWADUKUZA CREMATORIUM



CONSTRUCTION OF V-DRAINS TO PREVENT GRAVES
FROM COLLAPSING



RESURFACING AROUND THE CREMATORIUM



CONSTRUCTION OF V-DRAINS TO
CONTROL STORM WATER



FIXING THE SEPTIC TANK/RAISING THE
LEVEL OF THE SEPTIC TANK



3.5 COMPONENT E: ENVIRONMENTAL PROTECTION

ENVIRONMENTAL MANAGEMENT, COMPLIANCE AND ENFORCEMENT

3.5.1. COMMUNITY AWARENESS PROGRAMMES

Community awareness is conducted with professionals, community members from diverse societies, people living with disabilities and the youth. Awareness is also conducted via the fully functional Environmental Ward Forum which sits once a month and programmes come from the forum representatives. The forum has received a number of workshops on biodiversity, wetlands, tree planting, climate change, recycling and environmental impacts. Issues of waste management education accompanied with cleanups are the main challenges for the communities.

3.5.1.1. CLEAN UP CAMPAIGN IN WARD 01\

This was an initiative where members of the Environmental Ward committee were requested to submit projects that they would like to implement in their wards within the 2018/19 financial year. There was one project submitted by ward 01 and the clean-up was conducted by community members at an illegal dump site on the 09 August 2018.

3.5.1.2. WOMEN'S CAPACITY BUILDING WORKSHOP

KwaDukuza Municipality- Environmental Management unit in partnership with Department of Agriculture, Forestry and Fisheries (DAFF) hosted a women's capacity building workshop on the 23rd August 2018. The workshop coincided with women's month celebrations and it was coordinated through the Environmental Ward Committee. The intention of the programme was to capacitate women who are working with the environment on ways in which they can empower themselves and obtain economic benefits.

3.5.1.3. ENVIRONMENTAL WARD COMMITTEE MEETING

The meeting was held on the 24th August 2018. The intention of the meeting was to report on the outcomes of the projects that have been conducted through the committee, specifically ward 01 and 03. The members were requested to send an identified environmental project that can be conducted to solve an issue and raise awareness within their community. The list was required on or before the 31 August 2018 for submission to KDM- Environmental Management unit.

3.5.1.4. ARBOR WEEK 2018 COMMEMORATION

National Arbor Week is celebrated every September annually. Last year, KwaDukuza Municipality (Environmental Management and Parks Garden) distributed and planted indigenous trees within two communities (Nkobongo area and Shombela area). The team liaised with the ward Councillors and ward committee member (environmental portfolio) with regards to the selection of the twenty beneficiaries for trees within their wards. The campaign commenced on 11th September 2018 at Nkobongo area and the campaign continued at Shombela area on 18th September 2018. The table below summarizes the type and number of trees distributed/ planted within the two wards:

WARD AREA	BENEFICIARY	INDIGENOUS TREES (TOSSEL BERRY; CALODENDRON CAPENSE AND CORAL TREE) RECEIVED/ PLANTED	FRUIT TREES (LITCHI; MANGO AND ORANGE) RECEIVED/ PLANTED
Nkobongo Area, Ward 08	Community Members	Ten (10)	Ten (10)
	Apostle Church	Three (03)	Nil
	Nkobongo Sports Ground	Two (02)	Nil
Shombela Area, Ward 14	Community Members	Eleven (11)	Twenty five (25)
	Shombela Community Hall	Three (03)	Nil
Total number of trees distributed/ planted		Twenty nine (29)	Thirty five (35)

3.5.1.5. CLEAN-UP & REHABILITATION CAMPAIGN AT NKUKWINI AREA, WARD 15

The environmental management in collaboration with parks & garden and waste management team hosted a clean-up & rehabilitation campaign at Nkukwini area on the 12th February 2019.

The rehabilitation focused on starting a food garden on the same site. The identified site was fenced with black wooden poles and green shaded cloth and the ward councillor had identified a group of local women that participate in agricultural activities (subsistence farming) to take ownership of the project.

3.5.1.6. RIVER HEALTH TESTING PROGRAMME

KwaDukuza Municipality Environmental Management Unit conducted a river health testing in Mavivane river as part of World Water Day 2019 commemoration on the 26 March 2019. The programme was conducted using the Mini-Stream Assessment Scoring System (MINI-SASS) tool to assess the water quality in Mavivane river for ward 16 ward committee members since the portion of the river that was assessed was within ward 16. The river health testing programme will be an ongoing programme that will be conducted as part of community awareness raising programme.

3.5.1.7. CLEANUP & TREE PLANTING FOR WORLD EARTH DAY COMEMORATION 2019 (GREEN GOOD DEEDS)

KwaDukuza Municipality- Environmental Management and Parks & Garden in collaboration with Department of Economic, Development, Tourism and Environmental Affairs (DETEA) conducted a community awareness program at Shakaville ward 18. The programme was two-fold, which commenced with a clean-up on the 24th April 2019 that was conducted on one of the illegal dumping sites (entrance of tennis court) at Shakaville area.

Thereafter, the programme focused on planting indigenous trees at two local schools, a local crèche and a preschool listed below:

DATE	NAME OF ORGANISATION	NUMBER OF INDIGENOUS TREES RECEIVED
24/04/2019	Mbozamo Primary School	Fifteen (15)
	Imfundoyethu Creche & Pre-school	Six(06)
30/04/2019	Iziphozethu Primary School	Five(05)

3.5.2. KWADUKUZA MUNICIPAL EDUCATION AND AWARENESS PROGRAMME

KwaDukuza Municipality has established a school based environmental schools programme that commemorates all the South African Environmental Calendar Days to promote environmental education and awareness. This programme is aligned with the eco-schools and Schools Environmental Education Programme (SEEP) in partnership with the Department of Economic Development, Tourism and Environmental Affairs. The education and awareness programmes, educational tours, educational talks, competitions and excursions are conducted with schools and the KwaDukuza community. The programmes highlighted below were commemorated during the year **2018-2019**:

3.5.2.1. MARINE DAY 2018 COMMEMORATION

KwaDukuza Municipality- Environmental Management commemorated the National Marine day which is part of the environmental calendar, in partnership with KwaDukuza Municipality- Marine & Beach Safety

(Life Guards) and KwaZulu- Natal Sharks Board Maritime Centre of Excellence (KZNSB) on the 19th October 2018 at Zinkwazi Main Beach. Marine week is celebrated annually during the month of October and the aim is to raise awareness about the marine environment and oceans, their importance to human life, promote conservation of marine ecosystems and encourage sustainable use of the marine environment. Marine environments and oceans offer us huge benefits, such as biodiversity, provide food and sustenance to our nation.

The programme was packed with fun and educational activities which included an educational talk about the conservation of the ocean and coastal ecosystems, a shark dissection where we could see the internal anatomy of one of the ocean's most feared predators and lastly, an awareness talk about marine and beach safety. Twelve (12) schools (listed below) participated in the KwaDukuza Marine Day Commemoration 2018 with four learners and one educator representing each school:

1. Mavivane Primary School	2. Stanger Heights Primary School
3. R.A. Padayachee Primary School	4. Mbozamo Primary School
5. Melville Primary School	6. Lubisana Primary School
7. Gledhow Primary School	8. Prospect Farm School
9. Dawnview Primary School	10. Mbekamuzi Combined School
11. Tshelabantu Primary School	12. Hulsug Primary School

3.5.2.3. KWADUKUZA WETLANDS DAY 2019 COMMEMORATION AT THE MBOZAMO WETLAND AND BIRD SANCTUARY

World Wetlands Day is celebrated every year on 2 February. the theme for the World Wetlands Day 2019 as approved by the 54th Standing Committee of the Ramsar Convention was Wetlands and Climate Change (DEA, 2019). In commemoration of the World Wetlands Day 2019, the KwaDukuza Municipality - Environmental Management Unit partnered with the Department of Environmental Affairs in successfully conducting this awareness event at the Mbozamo Wetland and Bird Sanctuary on the 19th February 2019. Five (05) schools (listed in the table below) consisting of eight (08) learners & two (02) educators from each school participated in the abovementioned event:

NAME OF SCHOOLS THAT PARTICIPATED	
Stanger Manor Secondary School	Stanger Secondary School
Stanger high School	Stanger ML Sultan Secondary
Inkosi Albert Luthuli Secondary School	

3.5.2.4. KWADUKUZA SCHOOL-BASED RECYCLING PROGRAM

The main intention of the programme is to collect recyclable material such as newspaper, paper cardboard and plastic for recycling, noting that previously all recyclable waste was sent to landfill sites which increased the capacity of landfill sites and promoted the process of the release of greenhouse gases. The cost of waste disposal continues to increase and also there is a decrease in available landfill space. Therefore, recycling is the most immediate and effective way each individual can contribute toward solving this problem and it should only be used after reduction and reuse options have been considered.

In addition, prior to the commencement of the programme, the following activities were conducted:

1. KwaDukuza Municipality consulted/ engaged with the selected eleven (11) schools and it was during this process, when KDM Environmental Management team visited Groutville High School, on two occasions, that no Principal/ Educator was in attendance, which showed a negative response towards to the program. Hence, KDM Environmental Management team resolved to remove Groutville High School from the list and therefore Glenhills Primary School became the tenth school participating in the program.
2. KwaDukuza Municipality procured twenty (20) clearly marked recycling bins and the appointed service provider (Sakhonavilakazi Construction) delivered two recycling bins per school in the list below accompanied by municipal officials:

SCHOOL NAME	DATE OF DELIVERY OF RECYCLING BINS AT THE SCHOOL
a) Melville Primary School	23 May 2019
b) Nonhleu Secondary School	23 May 2019
c) Mbekamuzi Primary School	23 May 2019
d) Dr BW Vilakazi Primary School	23 May 2019
e) Aldinville Primary School	23 May 2019
f) Thembeni Primary School	28 May 2019
g) Tinley Manor Primary School	23 May 2019
h) Lloyds Primary School	23 May 2019
i) Zilungisele Primary School	23 May 2019
j) Glenhills Primary School	23 May 2019

3. A call for the Expression of Interest for registered waste recyclers to collect recyclables from ten (10) KwaDukuza Schools (Groutville cluster) was advertised on local newspapers, Xpress Times (06 February 2019) and the Bugle Magazine (08 February 2019).
4. Sebenza Sonke Recyclers was selected as the service provider to collect the recyclables from the ten schools every month once the bins are full. Furthermore, the conditions below were agreed with the service provider:
 - 4.1. The service provider will submit a written report to the Municipality on a monthly basis- quantities and profit for each school;
 - 4.2. Must be willing to compensate each school for their recyclable waste. Depending on the need per school and the quantities of the recyclables per school, the compensation plan is proposed as follows:
 - i) providing a food garden or;
 - ii) landscaping (purchasing of grass, trees etc.) or;
 - iii) purchasing more bins (general waste or recycling)

In conclusion, the programme is anticipated to run for 2 years as a pilot which is renewable as per the agreement between the Municipality and the waste collector. Thereafter it will be an ongoing program with monitoring & evaluation at the end of each calendar year. Furthermore, the Environmental Management unit anticipates to host a “greenest school competition” every September, in accordance with Recycling Day as per the Environmental Calendar. Depending on the availability of the budget, the program will be expanded either to include other recyclable waste or extended to other schools that will show initiative.

3.5.3. KDM’S AFFIRMATION OF LOW EMISSION TRAJECTORY

3.5.3.1. KWADUKUZA MUNICIPAL CLIMATE MAINSTREAMING WORKSHOP

KDM- EDP Business unit in collaboration with ICLEI Local Government for Sustainability- Africa, conducted a municipal climate mainstreaming workshop for KwaDukuza internal staff, on the 21st September 2018 at Ocean Reef Hotel (Zinkwazi Beach). The workshop specifically focused on how KDM can mainstream or institutionalize low emission development strategies in its planning as an organization and in decision-making. The workshop was aimed at:

1. Giving municipal officials the opportunity to share information on what work they are doing
2. Providing a short training on why climate action is important for municipalities and the benefits of doing so
3. Linking current and planned work to climate action goals in low emissions development strategy and climate change strategy and
4. Providing an input for climate change action to be better mainstreamed in to the upcoming IDP for 2019/20

Furthermore, the recommendations from the workshop are summarized below:

- i) The outcomes of the workshop will feed into the **IDP process**.
- ii) Select a **climate change champion in each Business Unit** as apoint of entry for coordination
- iii) Will feed into the **reporting** process of the **Global Covenant for Climate & Energy**: Business Units to submit via email to mbalim@kwadukuza.gov.za (Ms. Mpanza) concept documents/ reports submitted to Council for respective projects (existing & proposed).
- iv) **Data for Greenhouse Gas Inventory process**: this was recently reviewed. To do this inventory regularly, we need data from each Business Unit. EDP is responsible for consolidating information from different departments. The greenhouse gas inventory has to be reviewed within two years. Therefore, a contact person needs to established in each of the Business Unit and be the main person for collaboration.
- v) A second workshop will be taking place: Vulnerability assessment with community safety and disaster management teams
- vi) Ongoing monitoring and evaluation: have respective project reports to draw lessons learnt
- vii) Investment in education and awareness because most of the projects do not reach their maximum impact because of the lack of awareness.

Ultimately, this workshop engagement was to review the work the municipality has undertaken in the past years and simultaneously commence on the enhancement of that work through following the Urban-LEDS II project process.

3.5.3.2. KWADUKUZA LM HOSTS THE LEARNING-EXCHANGE BETWEEN KWAZULU-NATAL AND MPUMALANGA MUNICIPALITIES

KwaDukuza Municipality’s successful participation and implementation of the Urban LEDS Project as the model city has put the municipality

in the international & national map. Consequently, KwaDukuza Municipality and neighboring municipalities received recognition from the Department of Economic, Development, Tourism & Environmental Affairs (DEDTEA) of Mpumalanga province to assist with sharing the success case studies and challenges of implementing the low carbon trajectory thus far. The learning exchange was organized in collaboration with the CKZNCCC Secretariat and it was held on the 14th February 2019. This engagement did not only help Mpumalanga in benchmarking but it also was beneficial for other new KZN municipalities that attended the compact for the 1st time. These new or additional municipalities are those that signed during the Compact of Mayors on the 12th of November 2018 (i.e. event coordinated by SALGA and hosted by eThekweni Municipality) where KDM was also awarded a number of Special Awards.

3.5.3.3. GLOBAL COVENANT OF MAYORS (GCOM) COMPLIANCE

As part of GCoM compliance, cities including KwaDukuza Municipality have to report their climate commitments, actions and inventories on reporting platforms which will be linked to the central repository carbon Climate Registry (CCR). From 2019, local and regional governments for the first time have started reporting climate action data through one unified reporting system (CDP). The table below highlights KwaDukuza's commitment and actions reported on the registry/ CDP thus far during the 2018/ 2019 financial year:

TITLE OF THE ACTION	Date submitted
Community Climate Resilient Project	July 2018
Greening KwaDukuza Municipal Buildings Project	October 2018
KwaDukuza Community River Health Programme	March 2019
KwaDukuza School-Based Recycling Program	June 2019

3.5.3.4. THE KWADUKUZA ENVIRONMENT DAY OPEN STREETS EVENT

The theme for the KwaDukuza Environment Day Open Streets was #Grooming Climate-Smart Citizens and this event was conducted in commemoration of World Environment Month that is celebrated in June annually. The event was held on the Thursday 13th June 2019 in KwaDukuza CBD along King Shaka Street (between Gizenga Street and Chief Albert Luthuli Street). However, the event was two-fold, it commenced with an awareness walk in the morning that took the route from Chief Albert Luthuli Street (In front of KDM Civic Municipal Offices), down Hullet Street- up Gizenga Street and ended at King Shaka Street (Town Hall).

Through the DEDTEA- Environment Empowerment Services unit, fifteen (15) schools within KwaDukuza Municipality were invited to participate in the event but only ten (10) schools (listed in the table below) consisting of ten (10) learners & two (02) educators from each school were available to attend/ partake in the abovementioned event:

NAME OF SCHOOLS THAT PARTICIPATED	
Stanger Manor Primary School	Melville Primary School
KwaDukuza Primary School	Gledhow Primary School
Prospect Farm Primary School	Stanger Training Centre
R.A. Padayachee Primary School	Iziphozethu Primary School
I Play Smart Creche	Glenhills Primary School

Furthermore, KwaDukuza Municipality also received support from neighbouring companies and organisations some in a form of sponsorships towards the event and on the day of the event. The table below alludes to the type of support received from each stakeholder:

NAME OF STAKEHOLDER	TYPE OF SUPPORT/ SPONSORSHIP
Mayoral Business Forum	R 1000 (cash) which was utilized to purchase the banner for the awareness walk.
aQuelle'	hundred (100) bottles of water (mixture of flavoured & unflavored)
Crocodile Creek	an educational talk with demonstrations of reptile species
SAPPI Stanger	50 Litter bins; 150 pens; 50 drawstrings bags; and 40 water bottles
KwaZulu-Natal Natal Sharks Board	an educational talk and shark dissection
Ezemvelo KZN Wildlife	an educational talk and exhibition
Department of Sports and Recreation	health and fitness activities and educational talks
DEDTEA- Environment Empowerment Services	Coordinating the participation of KDM Schools
Department of Community Safety & Liaison	Twenty-nine (29) x Community Safety volunteers

In addition, the event incorporated diverse organisations/ businesses that voluntarily participated in various activities on the day of the event (13th June 2019) and that is discussed in the table below:

PARTICIPANT	TYPE OF ACTIVITY
Gxoba Cycling Academy/ KZN Cycling	Cycling stunts
Romans Pizza Stanger	Food Stall (Pizza)
Amahle Amabovu Trading	Fast Food Stall
Iziphozethu Primary School	Exhibition
Stanger Training Centre	Exhibition
Gledhow Primary School	Exhibition
Total Sports Stanger	Sports Clothing Stall
Prospect Farm Primary School	Exhibition
AVBOB	Exhibition
Sebenza Sonke Recyclers	Recyclable waste collection
Nirvana Hip Hop Club	Entertainment (hip hop music)
Natural Toys	Exhibition (arts and craft)
Qhudesi Events (Emmanuel Bongumusa "Maqhude" Mathe	Programme Director
Qhudesi Events (Buyani Mchunu)	Entertainment (Poetry)
Simmy Weddings & Events (Nhlanhla Mthethwa)	Entertainment (DJ)

Ultimately, the KwaDukuza Open Streets Event was aimed at creating an enabling environment for non- motorized transport in order to improve mobility within the city. Lastly, the event was a huge success complemented with informative and fun activities

3.5.4. SUCCESSFUL FUNDING OPPORTUNITIES RECEIVED BY THE MUNICIPALITY DURING 2018/ 2019 FINANCIAL YEAR.

The table below highlights the successful funding opportunities in a form of grant funding and/ or technical support received by the municipality during 2018/ 2019 financial year:

Urban Low Emission Development Strategies (Urban-LEDS) Project II	Urban-LEDS project II commenced in 2018 emanating from the successful first phase which was implemented in South Africa, Brazil, India and Indonesia during 2012 – 2015. As part of Urban-LEDS II, the municipality was granted with technical support which is offered by ICLEI- Africa and in addition project implementation funding of +/- R100 000 towards climate change adaptation/ mitigation project chosen by the municipality.
Building Efficiency Accelerator (BEA) Program	Building Efficiency Accelerator is proposed to help cities, state, regional and national governments to speed up adoption of best-practice policies and the implementation of projects. KwaDukuza Municipality joined the BEA phase 1 in November 2017. In addition, the municipality is participating in the BEA phase II of the project which will assist the Municipality in the implementation & enforcement of the Green Building Guideline/ Bylaw- Shift from Green Building Guidelines to Green Building Bylaw in a form of technical assistance.
Small Scale Embedded Generation (SSEG) Programme Development Support	<p>Towards the end of last year an application was sent to SALGA requesting support for SSEG Programme Development for KwaDukuza Municipality and an application to participate in the upcoming Solar PV Procurement training. Both applications have been granted successful.</p> <p>The support will be provided through onsite meetings and capacity building at KwaDukuza Municipal offices, involvement of municipal staff in training courses and offsite support. As per the initial application, the SSEG support team requires the following three commitments from KwaDukuza Municipality:</p> <ol style="list-style-type: none"> 1. Nominating two to five members (relevant staff) as the core SSEG team to participate on the training courses organised as per proposed dates below: <ol style="list-style-type: none"> 1.1. Mid-February to end March 2019: initial onsite support visits 1.2. 25th to 29th March 2019: 5 day training course for Gauteng, North- West, Mpumalanga, KwaZulu-Natal and Northern Cape municipalities (venue: Gauteng- to be confirmed) 2. Active participation of relevant staff during onsite support visits 3. Processing of at least 2 SSEG installation applications to test process functioning before the support programme ends in July 2020.
Department of Environmental Affairs: Environmental Protection and Infrastructure Programmes (EPIP): Application for Funding 2018/19 – 2020/21 MTEF	<p>In response to the call for environmental Protection and infrastructure programmes (EPIP), KwaDukuza Municipality submitted project applications to the Department of Environmental Affairs mid last year 2018. The department considered and evaluated the submitted applications based on the EPIP criteria that was communicated during the provincial information sharing sessions. Thereafter, based on the evaluation process and available budget the project below was approved within KwaDukuza Municipality:</p> <p>Project Name: KZN-WftC IP KwaDukuza Coastal Programme</p> <p>Focus Area: Working for the Coast</p> <p>Amount: R 10,000,000.00</p>

3.5.5. ENVIRONMENTAL MANAGEMENT INSPECTORS TRAINING, HOSTED BY THE DEPARTMENT OF ENVIRONMENTAL AFFAIRS

The Environmental Management Inspectors Training hosted by the Department of Environmental Affairs held at Pretoria Botanic Gardens, took place between 13 May 2019 to 31 May 2019, and was attended by Thembeke Mthuli– Senior Environmental Officer. The National Department of Environmental Affairs is currently conducting an assessment of all the activities that were conducted and will provide results on successful candidates. The designation will be facilitated by the Department of Economic Development, Tourism and Environmental Affairs and thereafter the official may commence with the all duties of an Environmental Management Inspector.

3.5.6. CHALLENGES

- The Mineral Petroleum Resources Development Act of the Department of Mineral Resources was amended in 2012 allowing for a single environmental approval process for mining, with the state hoping to streamline regulatory processes and licensing systems for mining environmental management within the DMR, DEA and DWA. Several illegal mining issues have erupted in KwaDukuza Municipality; however, the DMR has shown poor coordination with relevant stakeholders to resolve the compliance and enforcement issues arising. Officials in the Environmental Control Unit have coordinated blitz with relevant sector departments at the illegal mining sites, however this has proven difficult considering the disintegration of stakeholders to take proactive action against the transgressors. More coordinated enforcement efforts on DMRs is integral to this process.
- Water Use License Applications (WULA) is the mandate of the Department of Water and Sanitation through the National Water Act. The National Water Act 36 of 1998 (“the NWA”) requires a person undertaking a water use to obtain a water license in specified circumstances. This includes all activities which could pollute a water resource, the disposal of waste water,

stream diversions, abstraction, storing water, and using water for recreational purposes. The Water Use Authorisation Process can run concurrently to the EIA process however, a proposed project can obtain Environmental Authorisation (EA) approval and whilst awaiting the Water Use Authorisation no construction can commence as this would be in breach of the Environmental Authorisation issued by EDTEA. There is an evident backlog within the Department in assessing and issuing WULAs which hinders implementation of key municipal projects especially the delivery of basic services such as housing. The limitations in obtaining a water use license efficiently affects service delivery in the municipality. Another challenge is liaising with the Department of Water and Sanitation is difficult because some applications are dealt with by the DWS within the province and others are dealt with at National level.

services in an integrated approach. The Community Safety Business Unit comprises of the following Departments; Traffic and Technical Services, Special Operations Unit, Saturation Unit, Social Crime Prevention, Motor Licensing & Testing Centre, Fire & Emergency Services, Disaster Management, Marine Safety, and Law Enforcement Administration.

The Management Team is made up as follows:

Executive Director: Community Safety- Mr. S.C. Viramuthu

Director: Community Safety – Vacant

Senior Manager: Operations – Mr. S.E. Zungu

Manager: Traffic, Technical Services and Law Enforcement

Administration – Vacant

Manager: Crime Prevention – Mr. M.F.J. Prinsloo

Manager: Social Crime Prevention – Vacant

Manager: Motor Licensing & Testing – Mr. D. van Huyssteen

Manager: Marine Safety – Mr. S. Honneysett

Chief: Fire & Emergency Services – Ms. N. Mkhwanazi

Assistant Manager: Disaster Management – Mr. A. Panday

Acting Assistant Manager: Mr. M. Gcabashe

3.6 COMPONENT F: SAFETY & SECURITY

The Community Safety Business Unit is charged with the responsibility of ensuring that we provide for a safe environment to live, work and play. This Business Unit is in the forefront of delivering sustainable

The Business Unit's successes and challenges for the 2018/2019 financial year are as follows:

TRAFFIC

MONTH	2017/2018					2018/2019				
	WARRANTS OF ARREST	DRUNKEN DRIVING	SECTION 56 NOTICES	SECTION 341 NOTICES	SECTION 341 SPEED	WARRANTS OF ARREST	DRUNKEN DRIVING	SECTION 56 NOTICES	SECTION 341 NOTICES	SECTION 341 SPEED
July	-	4	671	269	2598	-	2	759	369	536
August	04	6	605	275	1742	2	2	753	239	-
September	02	3	853	177	2740	1	19	918	177	-
October	01	1	753	388	2818	1	5	1058	172	-
November	01	4	555	300	1335	2	2	852	279	-
December	-	9	490	246	1331	3	6	995	443	-
January	01	0	187	446	1221	4	0	946	294	-
February	02	1	536	227	-	2	5	1014	255	-
March	03	0	284	331	977	5	2	1348	261	-
April	02	0	194	421	19853	3	15	1273	303	-
May	-	1	462	314	1809	-	1	1176	263	-
June	-	0	557	288	2161	-	2	1226	487	-
TOTAL	16	29	6147	3682	20717	23	61	12313	3542	536

HIGHLIGHTS:

- ▶ Number of Notices issued for traffic violation: 14 709
- ▶ Income received through traffic offences – R 2,030,415.00
- ▶ Number of outreach programmes: 11 Schools visited for Road Safety Awareness Campaigns
- ▶ 15 Wards visited for Social Crime Prevention programmes

CHALLENGES:

- ▶ Overtime incurred in the provision of emergency services, and assistance provided to municipalities within the District.

SPECIAL OPERATIONS ATTENDED TO:

- ▶ Warrant Roadblocks
- ▶ Ballito Pro 2018
- ▶ Matric Rage 2018
- ▶ KwaDukuza Music Festival
- ▶ iLembe Inter-ward Games

- ▶ Matric Prayer
- ▶ Road Safety Awareness Campaign
- ▶ President's Visit
- ▶ MEC visit
- ▶ Multi-disciplinary Joint Operations with SAPS and Road Traffic Inspectorate
- ▶ Imvunge Maskandi Music Festival
- ▶ Indayi Home Coming Event
- ▶ Youth Uprising Concert
- ▶ Blythedale Beach Festival
- ▶ Ballito New Year's Eve Party
- ▶ New Year's Day beach patrols
- ▶ Winter Fair 2019
- ▶ MEC's Visit
- ▶ KwaDukuza Citizens Picnic
- ▶ Child Protection March

SPECIAL OPERATIONS UNIT

TABLE: STATISTICS ON ARRESTS

ARREST DETAILS	2017/2018	2018/2019
Murder	1	0
Attempted Murder	0	0
Armed robbery	0	4
Theft of Motor Vehicles	2	7
Recovery of Motor Vehicles	0	0
Drunken Driving	29	61
Possession of Dagga	3	15
Section 36 – Property Suspected to be Stolen	0	0
Rape	0	1
Possession of Dangerous Weapons	1	2
Reckless & Negligent Driving	1	4
Dealing in Fake DVDs	2	3
Housebreaking	0	0
Possession of Stolen Property	0	5
Theft	4	2
Execute warrant of arrest	4	1
Possession of dependant producing drugs (Whoonga)	1	12
Displaying false licence discs on motor vehicle	0	0
Dealing in Drugs: Rock, Cocaine, Mandrax tablets	0	11
Illegal Trading	0	0
Dog Complaints	0	0
TOTAL	48	128

RECOVERIES STATISTICS

TABLE: STATISTICS ON RECOVERIES

RECOVERIES DETAILS	2017/2018	2018/2019
Stolen Motor Vehicles	4	6
Firearms	1	2
Magazine (Firearm)	0	0
Dagga	562kg	2155.07gm
Cellular Phones	13	0
Recovery of Beer (Quarts)	0	0

RECOVERIES STATISTICS

TABLE: STATISTICS ON RECOVERIES.....CONTINUED

RECOVERIES DETAILS	2017/2018	2018/2019
Recovery of Cigarettes (Packets)	0	0
Recovery (Rock Cocaine, Mandrax, Heroin, etc.)	0	601
Whoonga straws	106	241
Shoes & Clothing	0	4
150DVD/CD pirates	143	215
Cash	R5 000.00	R530.00
Bank card	1	0
Fire arm ammunition	4	15
Okapi knife	1	0
Tablet / dependent producing drugs	10	0

TESTING & MOTOR LICENSING

KWADUKUZA TESTING STATION STATISTICS DRIVERS

	2017/2018	2018/2019
ENQUIRIES	47 600	36 735
TRANSACTIONS	81 954	74 644
RECORDS	44 978	36 909
AMOUNT	R6 721 260.00	R6 250 960.00

BALLITO MOTOR LICENSING

	2017/2018	2018/2019
ENQUIRIES	39 973	29 366
TRANSACTIONS	72 957	50 227
RECORDS	17 016	20 861
AMOUNT	R1 187 559.08	R1 546 481.13

KWADUKUZA MOTOR LICENSING

	2017/2018	2018/2019
ENQUIRIES	67 134	66 498
TRANSACTIONS	129 907	131 622
RECORDS	70 440	65 811
AMOUNT	R4 148 577.77	R4 653 958.48

STATISTICS – MOTOR LICENSING NORTH AND SOUTH

	2017/2018	2018/2019
ENQUIRIES	107 107	95 864
TRANSACTIONS	202 864	181 849
RECORDS	87 456	86 492
AMOUNT	R5 336 136.70	R6 200 439.51

TESTING OPERATIONS

	2017/2018	2018/2019
Examining of eyes & finger prints	26 595	25 440
Examining of public professional driving permits clearances	3222	3102
Examining of learner license	7055	6102
Examining of drivers licenses	1741	1135
Examining of vehicles	494	488
Examining of instructors permits	Nil	Nil
Issuing of traffic fines / suspension notice	324	448

SUCCESSES/HIGHLIGHTS

- ▶ The Department of Transport, Provincial, has now installed cameras and a screen monitor in the Assistant Superintendent's office.
- ▶ 14 cameras have been installed, 10 cameras have been installed in the yard and 4 cameras in the Examiners' offices (1 in each examiner cubicle).
- ▶ The Vehicle Testing Station has had all the testing equipment calibrated and the brake machine, scuff gauge and the play detector machine have been repaired.

FIRE AND EMERGENCY SERVICES

Fire & Emergency Services comprises of three Divisions, namely:

RE ACTIVE SERVICES

- ▶ Operations

PRO ACTIVE SERVICES

- ▶ Fire Prevention
- ▶ Public Education, Information & Training

EMERGENCY CALL CENTRE

- ▶ Call receiving and despatching of resources

RE ACTIVE SERVICES

THE FOLLOWING TABLE REFLECTS STATISTICAL REPORT ON EMERGENCY INCIDENTS WHICH OCCURRED DURING THE YEAR 2018/2019

EMERGENCY INCIDENTS STATISTICAL REPORT:

Details	2015/2016	2016/2017	2017/2018	2018/2019
Fires:				
Fires involving structures	82	69	87	91
Fires involving vehicles	49	29	27	45
Fires involving bushes and other types of fires (e.g. trees, tyres, sugarcane, electricity poles, etc.)	146	134	95	239
Rescue/Emergency Medical Assistance:				
Medical assistance	09	13	5	2
Hazardous Materials Incidents	08	02	4	5
Other (special services, hoax calls, false alarms, no service rendered)	29	93	19	29
Motor Vehicle accidents	79	134	108	123

HIGHLIGHTS:

- ▶ Number of fire safety programmes: -
- ▶ 18 Fire Safety Awareness Talks (school visits and special programs)
- ▶ Distribution of pamphlets, fridge magnets, key holders, disc holders (Emergency contact numbers)
- ▶ Posters on paraffin safety and drug awareness

MOTOR VEHICLE ACCIDENTS:

VEHICLE OVERTURNED - N2 UMHLALI RIVER BRIDGE





- It is alleged that a Toyota minibus lost control, overturned and landed on its side which resulted on one (1x) Red Code patient. The extrication of Red Code patient was carried out by the Fire brigade.
- Allied services such as medical services were summoned on scene to stabilize the patient.

VEHICLE ON FIRE - P445, BALLITO AREA



- A Fiat Palio caught on fire and the fire was extinguished by KwaDukuza Fire and Emergency Services using approximately 1500 litres of water.
- The fire was confined to the engine compartment and no casualties were noted.

MVA - N2 BLYTHEDALE FLYOVER



- It is alleged that a Mercedes Benz heavy motor vehicle fell off a tow truck (tow bar broke), landed on its side and resulted on one (1x) Green Code patient.
- The patient was stabilized by KwaDukuza Fire and Emergency Services including other medical agencies.

ELECTRICITY TRANSFORMER ON FIRE - SASKO BAKERY, AT ETETE



- It is alleged the protestors from eTete area ignited the fire which resulted on the electrical transformer catching fire.
- The transformer was completely burnt and the Fire was extinguished by the KwaDukuza Fire and Emergency Services.
- The area suffered electricity outage for a period of more than a day.

STRUCTURAL FIRE - STANGER SWEETS WHOLESALERS, KWADUKUZA CBD



- ▶ Stanger Sweets Wholesalers was involved in a Fire and the first floor was completely gutted by flames.
- ▶ KwaDukuza Fire and Emergency Services extinguished the fire with limited resources and prevented flames from spreading to adjacent buildings.
- ▶ Sections of the building suffered structural collapse and the building engineer was summoned to ensure structural stability of elements which form part of the building.
- ▶ Five (5x) vehicles were also burnt and the cause of the fire is being investigated.
- ▶ One occupant suffered smoke inhalation and was coded as green code.

MVA - COLLISION, N2 SOUTHBOUND, BALLITO OFF-RAMP



- ▶ It is alleged that a light motor vehicle lost control and collided with an LPG Tanker. The tanker also lost control and landed on its side and spilled fuel.
- ▶ The incident resulted on one (1x) Blue Code patient who was entrapped in the light motor vehicle. Extrication of the Blue Code patient was carried out by the Fire brigade.
- ▶ Relevant agencies such as Fire brigade and Medical services were summoned the scene to stabilize the patient.
- ▶ Spilltech was also summoned to the scene to confine spillage and to reduce further impact on the environment.

VEHICLE LOST CONTROL - N2 SOUTH BOUND, BEFORE UMVOTI RIVER BRIDGE



- ▶ It is alleged that a light motor vehicle lost control, veered off the roadway and smashed into the barrier. The incident resulted on one (1x) Red Code patient.
- ▶ The patient was stabilized by KwaDukuza Fire and Emergency Services and other medical agencies.

CHALLENGES	POSSIBLE SOLUTIONS
Inadequate resources to deal with incidents involving High rise building Fires, Structural Fires and Hazardous materials.	Prioritize the Procurement of Hydraulic Platform including Specialized vehicles, Rescue Pump equipment and Skid Units for use on uneven terrain.
Fire reports are not being done timeously to provide credible information on incidents which had occurred due to lack of IT infrastructure and tools of trade to support this function.	Prioritize the procurement of Emergency Services System [ESS] to enhance operational needs of the department.
The capturing of information is done manually in the Occurrence Book as opposed to an established network system which will ensure efficiency in terms of quick response and immediate identification of locations/areas where incidents are occurring.	
Low staff morale due to Labour relations issues which are not resolved and or implemented timeously.	Council to ensure proper functioning of Labour forums and a good working relation with Labour component.
Due to the geographic location of Fire stations and topography, there are major delays experienced by the Fire crew when it comes to responding to emergency situations as this impact on vehicle response times.	That fleet suitable for KwaDukuza terrain be procured and a risk assessment be conducted to establish additional infrastructure required whilst taking cognizance of other risk factors.
Fire reports are not being done timeously to provide credible information on incidents which had occurred due to lack of IT infrastructure and tools of trade to support this function.	Prioritize the procurement of Emergency Services System [ESS] to enhance operational needs of the department.
The capturing of information is done manually in the Occurrence Book as opposed to an established network system which will ensure efficiency in terms of quick response and immediate identification of locations/areas where incidents are occurring.	
Due to a lack of activities regarding Fire Prevention such as Fire safety inspections, Fire protection measures and a total lack of law enforcement measures, poses a huge risk to people, property and environment of Kwa Dukuza Municipality as we are being reactive to incidents rather than being proactive.	That a specialized Fire Prevention unit within Fire and Emergency Services to be established as a way of ensuring compliance with relevant statutes and a minim Standards governing Safety of Communities be adopted and applied accordingly.
Fire inspections are not conducted regularly including Law enforcement and this constitutes a breach of certain prescripts of the Law.	The Department will in a way generate revenue by conducting inspections on high risk occupancies including locations requiring the issuance of occupation certificates, compliance certificates, forming part of emergency drills/exercises for clients and advice on premises dealing with dangerous goods and or hazardous substances and those which are declared as Major Hazard Installations.
Fire Prevention is currently an unfunded mandate and this constitutes a breach in terms of mandatory tasks outlined in certain prescripts of the Law as they remain a responsibility of Local government.	Inspection of Vehicles carrying dangerous goods and/or flammable liquids or substances, premises or locations in breach of Fire Safety Bylaws including those which had failed to comply with prohibition notices, etc. Fire Safety Bylaws and Admission of guilt list is being reviewed for submission to Legal Department and Magistrate court for the issuance of Section 56 notices respectively.
Institutional review is rather critical to address challenges associated with human capital, training needs including scarce skills as this leads to the working of prolonged hours, which is in breach of the provisions outlined in the Basic Conditions of Employment Act as well as OHSA.	That Human resource Unit assist in forwarding a schedule of attrition posts for Fire department to enable line management to initiate the process of completing RTF's for critical posts, in line with Council Policy.
When vehicles are broken down and or defects reported, it takes Fleet Management Unit, longer periods to repair motor vehicles and/ or to source external service providers to repair fleet within a reasonable timeframe thus contributing to Emergency vehicles being out of commission for a long time.	That Fleet Management Services develop a vehicle maintenance plan in collaboration with user departments and prioritize the servicing of Emergency fleet as a way of improving vehicle downtime.
A turn-around time for Emergency vehicles should be less than three days and internal staff are should be capacitated to do some repair work on Emergency vehicles.	Fleet management to incorporate training of staff on Personal Development Plans which are submitted to Skills Development Unit annually.

CHALLENGES	POSSIBLE SOLUTIONS
<p>That overtime worked is too high and this is exacerbated by the fact that at least 50% of the overtime worked is as a result of vacant attrition posts which are not filled and other gaps in the system.</p> <p>The vote for shift allowances are not being included on the budget for Community Safety Business Unit and this may have adverse effects on the reporting of overtime hours worked.</p> <p>Lack of training to give effect to Skills Development Act and implementation of Skills Development Plans which are submitted to Skills Development Unit annually to address critical/scarce skills within the Fire service whilst ensuring implementation of Staff progression Policy.</p>	<p>That Fleet Services develop vehicle maintenance plan and prioritize the servicing of Emergency fleet as a way of improving vehicle downtime.</p> <p>Fleet management to incorporate training of staff on Personal Development Plans which are submitted to Skills Development Unit annually.</p> <p>Fire employees should be provided with relevant training to address issues of critical/scarce skills, in line with personal Development Plans which are submitted to Skills Development Unit annually as this will enhance their knowledge and skills whilst ensuring efficient and effective service delivery.</p>

SPECIAL OPERATIONS ATTENDED TO:

- ▶ President's Visit
- ▶ Invunge Maskandi Music Festival
- ▶ Indayi Home Coming Event
- ▶ Youth Uprising Concert
- ▶ Blythedale Beach Festival
- ▶ Ballito New Year's Eve Party
- ▶ New Year's Day beach patrols
- ▶ Winter Fair 2019
- ▶ MEC's Visit
- ▶ KwaDukuza Citizens Picnic
- ▶ Child Protection March

BEACH MANAGEMENT & MARINE SAFETY HIGHLIGHTS:

- ▶ 1 drowning on the main bathing beaches.
- ▶ 1 Ocean drowning and 2 River and Dam drownings.

- ▶ 4 marine animals stranding.
- ▶ Daily safety and beach information on local radio station Life & Style 88.0 FM - Monday to Saturday performed by the Beach Manager.
- ▶ Conducted 5 Education and Safety workshops for the community.
- ▶ Conducted Water Safety campaigns in 6 schools.
- ▶ Conducted 6 Learn to Surf workshops.

CHALLENGES:

- ▶ Marine Safety faces the challenge of the inability to keep in line with staffing levels in comparison to the overall growth within KwaDukuza.
- ▶ The service is seriously under pressure during holiday seasons as influx of tourists flock our beaches with our current manning levels.
- ▶ We have resorted to hiring additional lifeguards on contract to allow permanent staff time off and the recent completion of the Shakashead public swimming pool has further added to the problem.
- ▶ The service in addition is short of vehicles; having three removed from service within this year and not replaced.

Water Safety Awareness campaign at Darnall Primary School



New Marine Safety response vehicle



Ubuntu Learn to Swim and Surf Team at the launch of Shakashead swimming pool - Ward



Lifeguards training session and Lifeguard patrol



Lifeguard Supervisor Bongani Xulu (Vice President Surfing SA) giving vote of thanks at the breakfast launch of Ballito Pro 2018



Lifeguard Supervisor Bongani Xulu on the cover of local GET IT magazine



DISASTER MANAGEMENT

1. PURPOSE

The purpose of this report is to highlight the achievements and short comings experienced within the KwaDukuza Local Municipal Disaster Management Unit during the period 01 July 2018 – 30 June 2019 in compliance with the provisions of the Disaster Management Act 57 of 2002.

2. INTRODUCTION

KwaDukuza Local Municipality Disaster Management Unit has the mandate and responsibility to ensure that issues concerning disasters and disaster management are dealt with in an integrated and coordinated approach. KwaDukuza Local Municipality Disaster Management Unit acts as an advisory and consultative body on issues concerning disasters to all organs of state and stakeholders, NGOs, CBOs, private sector as well as communities within the Municipality. It is imperative that the KwaDukuza Local Municipality Disaster Management Unit has the responsibility to build the necessary capacity to implement the provisions of the Act as well as to raise awareness to the communities and individuals regarding the risks which affects the Municipality. KwaDukuza Local Municipality Disaster Management Unit annual report reflects on the significant milestones achieved in line with the Disaster Management Act.

3. STATUS OF DISASTER MANAGEMENT UNIT

KwaDukuza Local Municipality Disaster Management Unit was established in December 2012. Although the municipality does not have an independent disaster management Centre, the current satellite disaster management offices that is used for disaster management activities is located at KwaDukuza Local Municipality

offices and is furnished with the required resources. KwaDukuza LM Disaster Management Department is staffed by Assistant Manager (Permanent), one Disaster Management Officer (Permanent) and one Intern (Contract). The department falls within the Community Safety Business Unit and reports to the Municipal Services Portfolio Committee.

4. STATUS OF INTER-GOVERNMENTAL RELATIONS (IGR) STRUCTURES

4.1 MUNICIPAL DISASTER MANAGEMENT INTER-DEPARTMENTAL COMMITTEE AND POLITICAL COMMITTEES

The Municipality has the responsibility of establishing effective institutional arrangements for the development and approval of integrated disaster risk management matters. To achieve this responsibility, the Municipality has established the Municipal Services Portfolio Committee, which is an internal portfolio committee that deals with matters relating to Disasters and Disaster Risk Management. The committee is fully functional and meets regularly on a monthly basis or as and when it is necessary. The Municipality has also established the Management Committee (MANCO) which is a senior management committee that meets on a weekly basis where issues pertaining to disaster management are discussed on an ongoing basis. KwaDukuza Local Municipality has established a Disaster Management Ward-Based Consultative Forum that ensures the effective community involvement in Disaster Risk Reduction measures and a Municipal Disaster Management Advisory Forum.

4.2 MUNICIPAL DISASTER MANAGEMENT ADVISORY FORUM (DMAF)

To make provision for the integration and coordination of disaster management activities and to give effect to the principle of co-operative governance, KwaDukuza Local Municipality has established a Disaster Management Advisory Forum in accordance with Section 51 of the Disaster Management Act. KwaDukuza LM Disaster Management Advisory Forum was launched on 20 February 2015. The disaster risk management advisory forum meetings are held quarterly comprising of all relevant stakeholders. The private sector and civil society participate in the forum and have crucial roles to play. The fostering of partnerships between government, civil society and the private sector is a prerequisite for effective and sustainable disaster management. The Disaster Management Advisory Forum (DMAF) is a body in which all role players consult one another and coordinate their actions on matters relating to disaster management within the Municipality and meets on a quarterly basis or as and when necessary. The forum is a fundamental disaster management IGR structure which provides a mechanism for relevant role players to participate in disaster management issues and provide advice to disaster management stake-holders, with the implementation of the Disaster Management Act. The establishment of such a forum in the municipalities is in line with Section 44(1) (b) of the Disaster Management Act which provides for an integrated and coordinated approach to disaster management in municipal areas, with special emphasis on prevention and mitigation.

5. INSTITUTIONAL CAPACITY FOR DISASTER MANAGEMENT

KwaDukuza Local Municipality has established a functional Disaster Management Unit, with the Assistant Manager (Permanent), one Disaster Management Officer (Permanent) and one Intern (Contract). To ensure an effective implementation of the Disaster Management Act, KwaDukuza Local Municipality has also allocated physical and financial resources to make sure that there is an effective smooth running of the Disaster Management Unit as illustrated in figure 2.

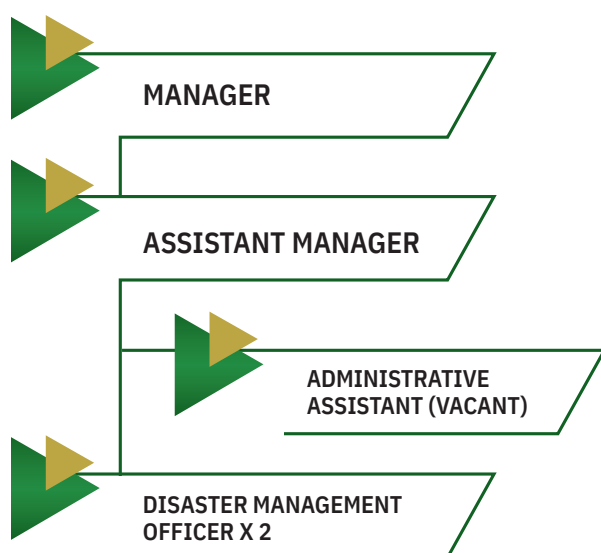


Figure 2: Disaster Unit Organogram

6. STATUS OF DISASTER MANAGEMENT PLANS / FRAMEWORK

6.1. DISASTER MANAGEMENT FRAMEWORK AND DISASTER MANAGEMENT PLAN

The Disaster management plan is crucial for the Municipality since the Municipal Systems Act No. 32 of 2000 requires all municipalities to undertake an integrated development planning process to produce currently relevant Integrated Development Plans (IDPs). The applicable Disaster Management Plan is a core component of the IDP as it is stipulated by Section 26 (g) of the Municipal Systems Act No. 32 of 2000 and furthermore Section 53 (2) (a) of Disaster Management Act stipulates that a disaster management plan for a municipal area must form an integral part of the municipality's IDP. KwaDukuza Disaster Management Plan has been developed and adopted by the Council in June 2016.

7. STATUS OF READINESS TO DEAL WITH DISASTERS

KwaDukuza Local Municipality is prone to incidents such as heavy rain, floods, lightning, strong winds, fires and hail which can kill and injure people, destroy their homes and damage property. On an ongoing basis the Disaster Management Practitioners have been capturing, monitoring and analysing minor and major incidents on an ongoing basis, as required by disaster management legislation. The Disaster Management Unit has been proactive in anticipating the types of disasters that may occur, planning ways of preventing or mitigating the major incidents and disasters. In its role of disaster management co-ordination, the Disaster Management Unit responds to reported incidents.

In line with the provisions of the Disaster Management Act as well as the national and Provincial Disaster Management Frameworks, KwaDukuza Local Municipality Disaster Risk Management Practitioners respond, assess and capture incidents as they occur. The early warning system from SAWS were crucial and helpful since the municipality managed to disseminate the warnings/alerts to the local stakeholders, including Ward Councillors, Amakhosi, Izinduna, for ultimate dissemination to affected communities. KwaDukuza Local Municipality also plays a meaningful role towards recovery and rehabilitation, by engaging all the relevant line function departments in fulfilling their mandatory roles towards this process

7.1 FINANCIAL CAPABILITIES

The Municipality has budgeted for Disaster Risk Management, and the budget includes only:

- ▶ Emergency Relief (Blankets, Plastic Sheeting, Food Parcels Sponges)
- ▶ Temporary Shelter.
- ▶ Advisory/Ward Consultative Forums meetings
- ▶ Capacity Building Programmes
- ▶ Awareness Campaigns

The Municipality monitors the disaster management budget on an ongoing basis and conducts variances where applicable. The Municipal Disaster Risk Management has prepared and submitted a Sector Plan designed to establish the framework for implementation of the provisions of the Disaster Management Act and Disaster Risk Management Policy Framework, as well as the related provisions of the Municipal Systems Act No. 32 of 2000. The Sector Plan with the projects budgeted for is fundamentally, the identified disaster risk reduction activities which will be integrated and aligned with the main activities contained in the municipal IDP.

8. STATUS AND RESULTS OF DISASTER RISK ASSESSMENTS UNDERTAKEN

8.1. LIST OF PRIORITY RISKS (HAZARDS)

The Municipality is prone to a number of natural and man-made hazards, inter alia, (veld fires and structural fires), heavy rain, lightning, strong wind, hail etc. In line with the Disaster Management Act and the Disaster Management Framework, it is necessary to conduct a Risk Analysis which will identify and prioritize potential hazards and threats that are likely to occur within the Municipality. The vulnerability of communities within the Municipality varies, which mainly depends on socio-economic status as well as the exposure of a particular household or community to a specific hazard. The Risk Analysis conducted at all four local municipalities put emphasis on all specifics which reflects the Hazards threatening the communities. The list of priority hazards that are affecting the Municipality, with spatio-temporal characteristics of these hazards are well known since they have been observed and recorded continuously and are illustrated in a table 1 below:

HAZARDS	LOCATION
1. Severe weather:	Inland Wards
a. Lightning	In all Wards
b. Strong winds	In all Wards
c. Hail	In all Wards
d. Heavy rain	In all Wards
e. Extreme temperatures	In all Wards
f. Storm surges	Along the Coast
2. Fire (Structural and Veld Fires)	In all In all Wards but mainly informal settlements
3. Drought	In all Wards
4. Accidents (MVA)	Mostly on N2, R102 and R74
5. Illegal Connection of Electricity	Informal settlements
6. Protest/Strikes	Most wards

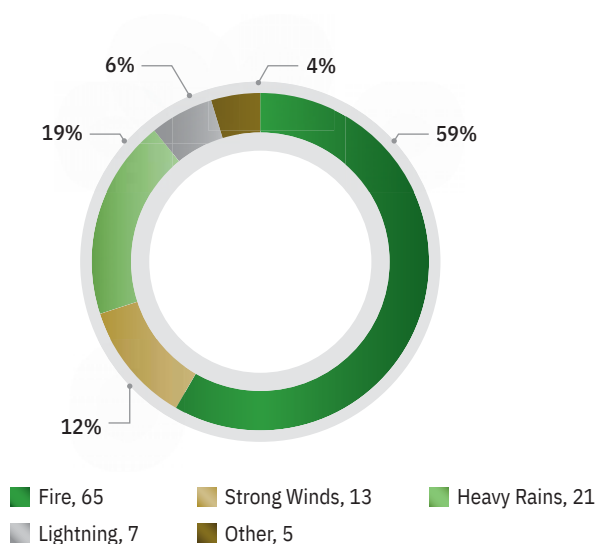
Table 1: Priority Hazards identified within the Municipality

9. INCIDENT STATISTICS

QUARTER	CAUSE OF AN INCIDENT					TOTAL
	FIRE	STRONG WIND	HEAVY RAIN	LIGHTNING	OTHER	
1st Quarter	25	7	3	-	-	35
2nd Quarter	16	1	3	2	1	23
3rd Quarter	11	1	3	4	-	19
4th Quarter	13	4	12	1	4	34
Total	65	13	21	7	5	111

Table 2: Number and type of incidents that occurred during the period 01 July 2018 – 30 June 2019)

Table 2 above illustrates the number of incidents that were experienced at the Municipality from 01 July 2018 – 30 June 2019. A total number of **(111)** incidents were reported. The Municipality noted that fire incidents were dominant during the period under review as illustrated in table 2 above. It was noted that most of the fire related incidents were due to negligence since most of the reported fire incidents were due to unattended candles, illegal connection of electricity and gases. The summer season which is known for severe thunderstorms accompanied by strong wind, and/or lightning and/or heavy rain was also dominant during the period under review.



It was evident that heavy rain incidents were dominant in the period 01 July 2016 – 30 June 2017 within the municipality which experienced a total number of **(465)** heavy rain incidents, followed by a total number of **(29)** fire incidents, then **(61)** strong winds incidents, **(2)** lightning related incidents and **(16)** hail incidents. It is imperative to highlight that most of the fire incidents throughout the municipality were mostly caused by human negligence such as open flames, cooking equipment, candles, electrical fault, illegal connection of electricity etc. The other incidents were as a result of severe thunderstorms associated with strong wind, hail, lightning and heavy rain.

Figure 3: KDM Distribution of Incidents During 01st July 2018 - 30th of June 2019

IMPACT OF INCIDENTS 2018/2019

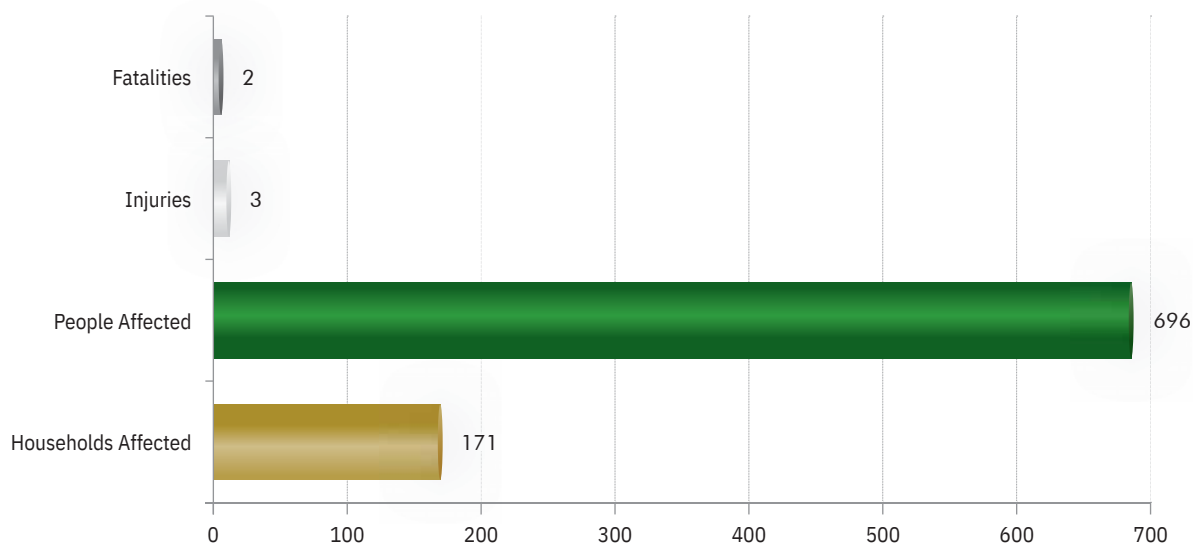


Figure 4: Impact of incidents that incurred during the period 01 July 2018 – 30 June 2019.

Figure 4 above illustrate the impact of the incidents during the 2018/2019 financial year. KwaDukuza Local Municipality accounted for a total number of one hundred and seventy-one (171) affected households, six hundred and ninety six (696) people affected and two (02) fatalities which were as a result of lightning incidents as well as three (03) injuries resulting from a structural fire incident and a structural collapse.

Figure 5: A structural fire burnt a mud house to the ground in Madundube Ward 27 - 2018



Figure 6: Shows a house on the verge of collapse (structural collapse) and needed a temporary structure in Eggumeni area Ward 9 - 2018



Figure 7: Illustrates another structural collapse in Madudumbe area Ward 27-2018



Figure 8: Conveys a house that contains illegal electrical connections at eNyonyiyanzi Ward 16 under Cllr. Jennifer Vallan - 2019



Figure 9: Depicts a structural fire incident that occurred in Shakashead, Ward 4 under Cllr. Ndlela - 2019



Figure 10: Illustrates Roof being fixed after Strong Winds blew an entire roof of the above house in Darnall Ward 2 under Cllr C.M. Ntleko - 2019



10. IMMEDIATE RESPONSE

A thorough assessment was conducted to get the magnitude of the damage caused by the incidents. KwaDukuza Local Municipality offered immediate assistance to the affected families in the following form of:

AID DISTRIBUTED	TOTAL NO. OF AID DISTRIBUTED
1. Blankets	221
2. Plastic Sheeting	32
3. Food Parcels	120
4. Sponges	160
5. Pots & Scullery	34
6. Gel Stoves	9
TOTAL	576

Table 3: Immediate Response 2018/2019

Figure 11: Mr M. Gcabashe who handed over Aid to Mr S Mhlongo in Mnyundwini Area, Ward 9 - 2019



11. BENEFICIARIES OF TEMPORARY SHELTERS

The KwaDukuza Disaster Management Unit has built 49 temporary shelters within different wards of KwaDukuza Municipality and handed over 16 building materials to affected families. PDMC came to our rescue and provided 22 temporary shelters in the form of Wendy Houses. The wards which benefited from the PDMC intervention are wards 1,5,7,9,15,18,21 and 26.

Figure 12: Conveys a temporary shelter built in ward 1 built in 2018



Figure 12: Conveys a temporary shelter built in ward 1 built in 2018



Figure 13: Temporary shelter built in ward 1 - 2018



Figure 14: temporary shelter built in ward 1 - 2018



As the KDM Disaster Management Unit, we took an initiative in ensuring that the lives of the citizens residing in areas that are prone to thunder and lightning are well protected and safe during the occurrence of severe catastrophic weather hence the installation of 22 lightning conductors in the following areas, as depicted in the pictures below:

Figure 15: Illustrates a lightning conductor that was installed in eNtshawini residential area after a lightning incident that claimed the life of a child



Figure 16: shows a lightning conductor installed at a community hall in ward 26



12. PROJECTS UNDERTAKEN 2018/2019

The ongoing capacity building and public awareness campaigns undertaken by the Municipality were aimed at direct involvement of school children and communities in taking the disaster mitigation message across the vulnerable societies. An integrated capacity building and public awareness strategy for the Municipality has been developed and continuously implemented to encourage risk avoidance behaviour by all role players, including all departments as well as various stakeholders such as Traditional Leaders, Councillors, Educators, Volunteers, Municipal entities etc. Such a strategy seeks to promote an informed, alert and self-reliant society capable of playing its part in supporting and co-operating with the municipality in all aspects of disaster risk reduction. Awareness campaigns within the Municipality are viewed as useful tools for crystallizing new ideas and attracting information flows between the Municipality and the communities it serves.

As part of compliance with the provision of the Disaster Management Act 57 of 2002, the Municipality continues to conduct ongoing community awareness campaigns in ensuring that communities exercise risk avoidance behaviour and also exercise precautionary measures during incidents. As required by the International Strategy for Disaster Risk Reduction, most of community awareness campaigns are targeting vulnerable communities, especially schools. This is done as it has been proved that young learners can be utilized as a source for information dissemination.

12.1. COMMUNITY AWARENESS CAMPAIGNS

AREA	DESCRIPTION	DATE
Glenhills – Ward 26	Summer Season Awareness campaign	26 August 2018
Shaveen Store (Etete)- Ward 20	Summer Season Awareness campaign	30 August 2018
Melville Area	Summer Season Awareness campaign	12 October 2018
Nonoti Area – Ward 12	Summer Season Awareness campaign	15 October 2018
Doringkop Area	Summer Season Awareness campaign	06 November 2018
KwaDukuza Hospital	Capacity building	January 2019
Hangus- Ward 09	Community Awareness Campaign	10 March 2019

Table 4: Community Awareness Campaigns 2018/2019

12.2. SCHOOL AWARENESS CAMPAIGNS

AREA	DESCRIPTION	DATE
KwaDukuza Local Municipality	Child's Protection Week Awareness Campaign	27-31 May 2019

Table 5: Child Protection Week Awareness Campaigns 2019

Figure 17: Mr. Gcabashe Speaking to learners of Shekembula Secondary School and Hullels Combined School



Figure 18: Hulleets Combined School learners listening to a representative from the Fire Department



These Community Awareness Campaigns that were conducted during the period under review focussed on raising awareness and how to take necessary measures and precautions during:

- Households and Veld Fires,
- Usage of Generators, Gas and Paraffin Stoves
- Heavy rainfall,
- Strong Winds,
- Lightning and;
- Hail.
- Drought

12.3. WINTER FAIR EVENT 2018/2019

The KDM Disaster Management Unit was also part of the winter fair Planning Committee where the representatives of the unit were present during the Winter Fair in order to assist in matters of disasters that would have occurred. Fortunately, no disastrous activities took place.

13. TRENDS OF INCIDENTS WITHIN THE FOLLOWING UNITS

COMMUNITY SAFETY UNIT	COMMON CAUSES OF INCIDENTS
1. Marine Safety	<ul style="list-style-type: none"> ➤ Alcohol consumption ➤ Inability to swim ➤ Panic inside the water and ➤ Unattended children. ➤ Extreme weather conditions
2. Traffic Department	<ul style="list-style-type: none"> ➤ Speeding & Reckless Driving ➤ Drunk Driving ➤ Rain & Slippery Roads and poor road conditions ➤ Night Driving with Reduced Visibility ➤ Vehicles not road worthy
3. Fire Department	<ul style="list-style-type: none"> ➤ Smoking and Burning of Refuse/garbage and extreme weather conditions which often leads to veld fires ➤ Poor Electrical connections (Illegal connections) that lead to structural fires and ➤ Unattended candles and unsupervised children

Table 6: Trends of incidents 2018/2019

14. DISASTER MANAGEMENT 2018/2019 BUDGET

The 2018/2019 financial year budget towards aid relief also referred to as Indigent Support was set at **R2 632 496.00**, out of this amount, **R1 557 593.28** was utilized during the financial year, leaving a remainder of R **1 074 902.72**.

15. CHALLENGES AND RECOMMENDATIONS

The following table conveys challenges experienced during the financial year 2018/2019 as well as stipulates recommendations that will assist in ensuring that the previously experienced short comings do not occur in the near future.

INSTITUTIONAL CAPACITY	RECOMMENDATION
<ul style="list-style-type: none"> ▶ The KDM Disaster Management Unit is lacking in terms of office space which is inadequate. ▶ The Unit is understaffed 	<ul style="list-style-type: none"> ▶ A KDM Disaster Management centre is therefore required in 2020/2021 as the office space is not sufficient. ▶ Create and fill vacant posts in order to maximize capacity
MITIGATION	RECOMMENDATION
<ul style="list-style-type: none"> ▶ No specified budget for mitigation 	<ul style="list-style-type: none"> ▶ Allocate Budget for mitigation purposes only
RISK REDUCTION	RECOMMENDATION
<ul style="list-style-type: none"> ▶ Communication with other sector Departments is dire, reasoning behind such conception is that KDM Disaster Management unit is not given the much recognition that it deserves. 	<ul style="list-style-type: none"> ▶ Intensified integrated efforts amongst sector departments is required in order to devise strategic plan on the avoidance and mitigation of disasters.
RESPONSE	RECOMMENDATION
<ul style="list-style-type: none"> ▶ In terms of response, the KDM Disaster Management Unit responds immediately to disasters but there is a time delay in terms of responding to call outs as there is only one person utilizing one vehicle. ▶ The Disaster Management Unit has been trying to abolish the system of building temporary shelters with no success hence it has been 3 years waiting for the approval of the voucher system 	<ul style="list-style-type: none"> ▶ Additional vehicle (s) needs to be made available to the unit as well as more personnel. ▶ Re-advertise the system of Vouchers

16. BEST PRACTICES / ACHIEVEMENTS / SUCCESSES

There are various best practices taking place throughout the Municipality. Below is the disaster management best practice activities or successes by the Municipality:

- ▶ The Municipal turnaround time when responding to reported incidents is highly commendable. This is due to proper coordination and integration, in partnership with all role-players and stakeholders.
- ▶ The Municipality has successfully completed the process of developing the Disaster Management Plan with the objective of conducting macro disaster risk assessment which provides the foundation towards risk reduction planning based on the identified and prioritized disaster risks and vulnerabilities.

- ▶ In fulfilling the requirements of the Safety at Sports and Recreational Events Act, the Municipality is actively involved in all stages leading to minor and major events, in an effort to ensure safety of communities during such events.

17. CONCLUSION

KwaDukuza Local Municipality Disaster Management Centre has implemented a very strict proper coordination and integration of disaster related matters which resulted in the effected monitoring and analysing the incidents that were experienced by the Municipality. In line with the requirements of the Disaster Management Act 57 of 2002, KwaDukuza Local Municipality did make a provision for resources to be allocated for immediate relief as indicated in the report. Although institutional capacity was a challenge and contributed to the constraints of effectively and efficiently aligning with the constitutional mandate of section 57 of 2002 of the Act, the KwaDukuza Disaster Management unit was able to deliver even though it was not timeous.

MEMBERSHIP OF THE RE-ESTABLISHED KWADUKUZA WARD BASED DISASTER RISK MANAGEMENT CONSULTATIVE FORUM

WARD	CLLR (EX-OFFI. MEM.)	CONTACT NO.	WARD REP.	CONTACT NO
1	D. NDIMANDE	083 925 2146	SIHLE JOMBE	0785924628
2	C.M. NTLEKO	076 925 0336	ZAMA M	079 8849402
3	G.J.VAN WHYE	073 197 8382	SINDI M	083 717 8771
4	M.NDLELA	072 682 6148	DANIAL D	073 413 6266
5	J.L.T. SIBIYA	078 014 0946	SKHUMBUZO M	073 030 8402
6	T. COLLEY	082 894 7808	THOKO S	082 770 3018
7	B. DINDI	063 217 2615	VUSUMUZI B	078 240 0733
8	M.NGIDI	081 546 6573	ZANELE N	073 342 2646
9	P.I. DUBE	073 347 7335	LETHUKUTHULA G	084 794 1502
10	T.T. DUBE	082 954 9914	KIKI M	073 688 5358
11	I.T. NXUMALO	078 028 1243	THOBANI M	079 671 6080
12	N.H. MBATHA	073 413 9365	LEE G	072 361 8938
13	R. SINGH	073 491 8920	SAVITHREE A	083 482 6652
14	W.S. NTULI	073 491 9493	SANELE M	078 563 8883
15	P. MABASO	079 635 9590	FUNANI B	071 088 9667
16	J VALLAN	083 446 1966	B.N.VILAKAZI	084 567 4983
17	M.S. SINGH	073 152 8910	MAHINDRA H	078 856 5610
18	L.YENGWANA	073 280 2300	XOLILE G	071 053 2472
19	D.GOVENDER	083 775 0319	RANDOLF S	072 678 1475
20	N.P. DUBE	063 122 6325	NOMFUNDO B	084 476 8360
21	T. DU TOIT	082 563 7221	PATRICK H	072 189 2821
22	M.W. HUBNER	083 250 9783	LUCKY M	082 511 5935
23	J.S. PHAHLA	073 794 0055	ALFRED N	073 407 8028
24	V.V. SHEZI	081 735 0484	CYRIL S	084 255 4698
25	S.M.R. MFEKA	083 437 7610	BUSISIWE Z	063 031 5009
26	T.S. NGIDI	078 647 9660	NTOKOZO M	079 846 5090
27	M.MADLALA	073 940 8642	JANE M	
28	V.GOVENDER	079 986 6152	NAVEL D	081 271 1874
29	S.L. CELE	079 986 6152	NHLANLA S	071 934 0848

3.7 COMPONENT G: SPORTS AND RECREATION

SPORTS DEVELOPMENT HIGHLIGHTS:

SPORT CODES	CHAMPIONS	DISCUSSIONS
	KwaDukuza sports development encompasses 16 development codes as prescribed by SALGA and Sports and recreation plan Guidelines	
Football	Ongoing structured leagues and ward-based training hubs.	Proportional supported by kwadukuza municipality
Dance sport	Fully functional, ongoing ward-based trainings and outreach programmes hosted	One of the best performing codes on SALGA Games, gold medalists
Indigenous games	Fully functional, the structure conducts ongoing training that targets cluster of wards	
Golf	The code is facing facilities challenges, golf is one of the expensive sports within the area that requires funding, lack of financial support outside of KwaDukuza municipality contributions lead to the code not fully functioning.	
Athletics	Not fully functional, road racing programmes.	
Chess	Ongoing chess lessons conducted in [partnership with Luthuli museum and the department of sports and recreation.	
Boxing	Ongoing trainings hosted at ward 18, 23, 05, 18, 26 and ward 07	
Table tennis	Not functional	
Tennis	Not fully functional, recreational tennis that caters for open age athletes	
Karate	<ul style="list-style-type: none"> ▶ Sensei Vusi Dlamini is part of the members qualifying to partake in the annual 4th Dan grading examination on the 11-12th of March 2019 at Klerksdorp, Alabama hall in North West province. ▶ Through KwaDukuza municipality support towards costs of the 4th dan grading, Sensei Vusi Dlamini successfully completed his grading of 4th dan grade. 	Sensei Vusi Dlamini hosts daily karate classes in ward 05 lindelani area and has assisted a number of kids to enroll in Karate discipline
Volleyball	Ongoing volleyball league across KwaDukuza affiliated clubs. School sport participation.	
Netball	Ongoing netball league across KwaDukuza affiliated clubs. The code has produced amongst other , Lucky Mokoena is amongst the 12-man squad selected to represent South Africa in the Males netball national team. The said squad is scheduled to compete in a number friendly matches Against Spar smileys and Zimbabwe invitational in preparation for the upcoming international games such as the Confederation of Southern African Netball Association (Cosana) Games	
Cricket	Ongoing cricket development league, affiliated under KwaZulu natal cricket union development programme	
Rugby	Development of the code is facing challenges due to structure and coordination issues	
Basketball	The structure have effectively elected a new coordinating committee	
Swimming	Ubuntu swim and surf association has been endorsed by council to carryout swimming and surfing development programs across KwaDukuza wards.	
ELITE SPORTS		
Cycling development	Ongoing support towards KwaDukuza growing cycling development. The project is initiated through ward 04 based isitibuli cycling academy. The project is anticipated to be expanded throughout KwaDukuza wards. In 2019 KwaDukuza Cycling development will form part of the Nobel race cycling programme.	2019/20 financial year a planned annual launch festival.

SPORT CODES	CHAMPIONS	DISCUSSIONS
Surfing development	Ubuntu swim and surf association is the main custodian of surfing development in KwaDukuza, the ward 04 based association has been given the custodian rights to utilize the newly build swimming pool in ward 04 Shakashead.	Surfing development programme is linked to Kwadukuza Ballito pro development programme.
Rowing development	Phase two (2) of KwaDukuza rowing development will introduce establishment of KwaDukuza Rowing clubs, establish a rowing hub/ Centre within KwaDukuza and participation of KwaDukuza clubs in provincial championships.	Rowing South Africa has adopted Kwadukuza as one of the development hubs of the rowing transformation agenda, this emanates from successfully hosting the 2018 schools expo and national championships.



SWIMMING DEVELOPMENT PROGRAMME



BEACH FESTIVAL



EASTER GAMES TOURNAMENT



EASTER GAMES TOURNAMENT



SOCCKER



ROWING DEVELOPMENT EXPO



2019 KWADUKUZA YOUTH MONTH PROGRAMME KDM Youth development BU

NO	DATES	PROGRAMME	VENUE
1	06 June 2019	UIF LAP Learnership programme (Induction)	Kwadukuza CBD
2	13 June 2019	KDM World environmental day – Street festival (hosted by KDM Climate change & Enviro office)	King Shaka street (opp. town hall)
3	13 June 2019	RAF - Youth mass skilling programme Learners & Driver's license	Kwadukuza CBD
4	16 June 2019	Ward support - Youth month games	All wards (driven by Youth formations)
5	17 June 2019	Sports against crime – ward 27 awareness campaign	Mandudube sports field
6	22 June 2019	Kwadukuza Poetry session	Chief Albert Luthuli Museum
7	28 June 2019	Launch of Kwadukuza creative arts forum	Kwadukuza Town Hall
8	29 June 2019	Youth month celebration festival	TBC
	30 June 2019	Ward 04 Swimming pool official handover (Ballito Pro Learn to swim Activation)	Shakashead Swimming Pool



03





I certify that the performance reporting of the municipality has been done in line with the 6 national KPA's and is the focus of the MSA Section 46 requirements as set out from pages 129-165 and therefore reflects the performance of the municipality for the financial year 2018/2019, comparisons to performance of the previous financial year and measures taken to improve performance.

NJ. MDAKANE (MUNICIPAL MANAGER)

31 AUGUST 2019

DATE

INTRODUCTION:

This section indicates, in more detail, the performance of the Municipality for the financial year and makes reference to the supporting documentation, including the Organisational Scorecard. The report has been compiled taking into cognisance of the relevant Legislations guiding the development and implementation of the Performance Management System of a Municipality as outlined hereunder.

- The Municipal Systems Act of 2000
- The Municipal Finance Management Act
- 2001 Municipal Planning and Performance Management Regulations
- 2006 Section 57 Performance Management Regulations

The performance reporting of the municipality is done in compliance with the 9 national KPI's and is the focus of the MSA Section 46 requirements and therefore reflects the performance of the municipality for the financial year, comparisons to performance of the previous financial year and measures taken to improve performance. The 9 National KPIs listed below can be found within the Annual Performance Report across all the Business Units under each legislated Key Performance Area (KPA), which are:

- % of households with access to basic electricity
- % of households with access to basic refuse removal
- % of households earning less than R3500 pm with access to free basic electricity
- % of households earning less than R3500 pm with access to free basic refuse removal
- % of capital budget spent on IDP projects
- Number of jobs created through LED initiatives including Capital projects
- Number of staff in 3 highest levels that are from the designated group
- % of budget spend on implementing WSP
- Finances (x3 KPIs) – Debt coverage, cost coverage & outstanding service debtors

The different KPAs which form basis of the reporting as legislated and found across all Business Units are:

- Institutional Transformation & Development (ISD)
- Good Governance & Public Participation (GG&PP)
- Local Economic Development (LED)
- Financial Viability and Management (FVM)
- Basic Service Delivery and Infrastructure Development (BSD)
- Spatial Planning & Environmental Management (SP)

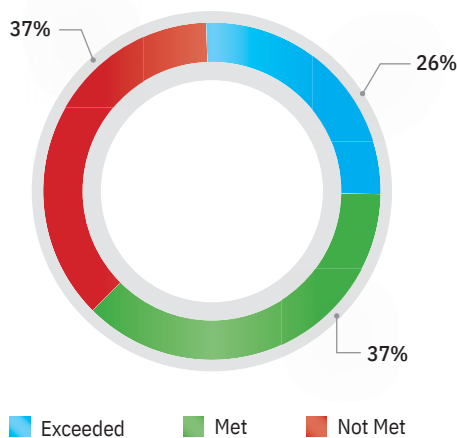
KwaDukuza Annual Report has therefore complied with all the relevant legislations in terms of the setting of performance indicators and targets, alignment to the IDP and the Performance Agreements of the Section 57 Senior Managers that have been developed from the Top Layer of the SDBIP as prescribed by Circular 13 of the MFMA 56 of 2003. The performance indicators and targets have been set in line with a SMART principle model, which states that they should be simple, measurable, achievable, realistic and time bound. The entire Annual Report also takes care of the assessment of the Service Providers as required by Circular 63 on the compilation of the Annual Report, which will appear on Appendix I. This assesses the efficiency and effectiveness of the services acquired from the service providers to ensure value for money for the Municipality.

BACKGROUND TO THE ORGANISATIONAL SCORECARD.

SUMMARY OF PERFORMANCE FOR THE 2018/2019 FINANCIAL YEAR:

- Below is the summary of performance results for all strategic objectives included in the organisational scorecard for the 2018/2019 as follows.

ANNUAL PERFORMANCE OVERVIEW



Graph 1: Performance Analysis for 2018/2019

BUDGET SPENDING:

BUDGET EXPENDITURE	2014/2015 Expenditure	2015/2016 Expenditure	2016/2017 Expenditure	2017/2018 Expenditure	2018/2019 Expenditure
Green – Total Expenditure	55%	86%	89%	93%	86%
Red – Non-expenditure	45%	14%	11%	9%	14%
TOTAL	100%	100%	100%	100%	100%

5 Year comparison of Capital Expenditure

The overall expenditure in 2018/2019 is 86%, which shows a significant decrease in the overall budget expenditure of 7% when compared to the previous financial year which was 93%. The expenditure on MIG projects is 97%. This could be attributed to the completion of 2017/2018 roll-over projects which pushed the expenditure up when combined with 2018/2019 projects.

2018/2019 OVERVIEW OF PERFORMANCE ON NATIONAL KPAS:

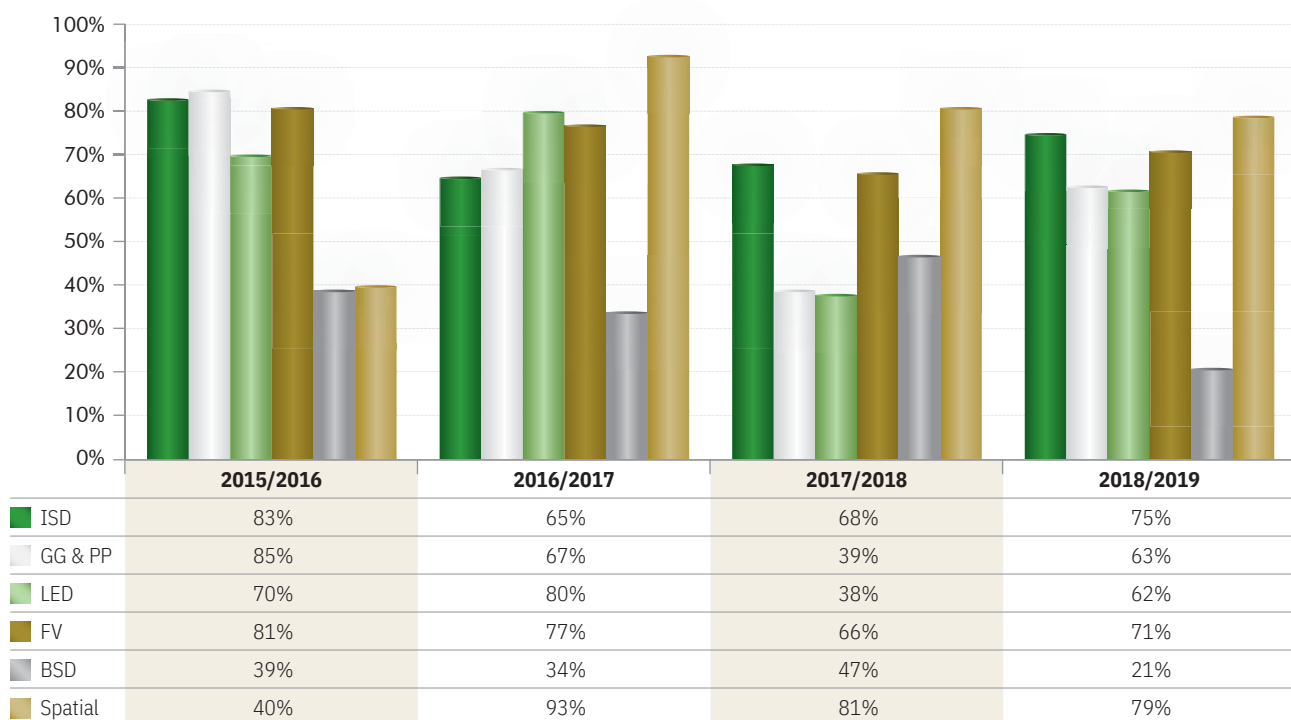
KPA	No. of Strategic Objectives	No of Perf. Targets	Targets Exceeded	Targets Met	Targets Not Met
Institutional Transformation	8	24	5	13	6
Good Governance & Public Participation	13	24	4	11	9
Local Economic Development	5	13	5	3	5
Financial Management & Viability	12	28	10	10	8
Basic Service Delivery	9	28	2	6	20
Spatial Planning	6	33	13	13	7
TOTAL	53	150	39	56	55
% Achievement			26%	37%	
% Overall Performance for achieved and exceeded targets			63%		37%

There is 5% increase in performance for 2018/2019 which is 63% when compared to 59% in 2017/2018. The number of targets that were not achieved decreased from 41% to 37% in 2018/2019. 26% of the targets were exceeded which is slightly above a ¼ of the total planned measures. The overall achievement for the 2018/2019 is therefore 63% with 37% of targets not met for the year.

4 YEAR COMPARISONS OF KPAS

KPA	2015/2016 FY (% ACHIEVED)	2016/2017 FY (% ACHIEVED)	2017/2018 FY (% ACHIEVED)	2018/2019 FY (% ACHIEVED)	% INCREASE/ DECREASE FROM 17/18
Institutional Transformation	83%	65%	68%	75%	+7%
Good Governance and Public Participation	85%	61%	39%	63%	+24%
Local Economic Development	70%	80%	38%	62%	+24%
Financial Management and Viability	81%	73%	66%	71%	+5%
Basic Service Delivery	46%	34%	47%	21%	-19%
Spatial Planning & Environmental Management	40%	86%	81%	79%	-2%

Graphical representation of performance comparison of KPAs from year to year






Graph 2: KPA Comparisons over a four period

There is a slight increase in the performance of KPAs for the 2018/2019 financial year when compared to the performance in 2017/2018 across most of the KPAs. However, there was a significant decrease of 19% in Basic Service Delivery to 21% when compared to the previous financial year which was standing at 47%. A significant 24% increase was seen in LED and Good Governance and Public Participation respectively, which achieved 62% and 63% from the lowest of 38% and 39% in the previous financial year.





The Organisational Scorecard approach below reflects the 6 national KPA's and local priorities and enables a wider assessment of how the Municipality is performing. The performance report is based on measures included within the Organisational Scorecard. These targets were reviewed and updated at Council meetings in line with Section 72 of MFMA regulating adjustment budget and performance assessment of a municipality within the first 6 months of the financial year with resolution C 312 on the 27th of March. The criteria used reflect factors such as previous performance levels, comparative performance and budget implications. The traffic light system used to report performance is as follow:

- **Blue** – Performance targets exceeded (overachieved)
- **Green** – Performance target met
- **Red** – Performance target not met





2018/2019 ANNUAL PERFORMANCE REPORT

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT										
OPMS: 01		To build capable and transformed institutional capacity	The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan (NKPI) Highest Three levels :- 1) Top Management MM, ED, and Directors (Task Grade 19 -26) 2) Senior Management (Task Grade 16 - 18) 3) Professionals (Task Grade 14 -15)	Internal	3 people from employment equity target groups employed in the three highest levels of management by 30 June 2018	TARGET NOT MET 1 person employed	4 people from employment equity target groups employed in the three highest levels of management by 30 June 2019	TARGET EXCEEDED 12 were appointed in the three highest levels of management	N/A	
OPMS: 02		To increase appointment of vulnerable groups within staff complement: i) Women, ii) Youth iii) Disabled	Maintain 50% employment of women from all levels in each quarter by 30 June 2019	Internal	Maintain 50% employment of women from all levels in each quarter by 30 June 2018	TARGET NOT MET 6.25% employment of women	Maintain 50% employment of women from all levels in each quarter by 30 June 2019	TARGET NOT MET 44,5 % of employment of women from all levels in each in quarter	Majority of appointments made were about the absorption of the staff who were already on contract basis. Council has absorbed all contract employees. Going forward the selection committee shall adhere to employment equity plan	
OPMS: 02a		To increase appointment of vulnerable groups within staff complement: i) Women, ii) Youth iii) Disabled	Maintain 50% employment of youth from all levels in each quarter by 30 June 2019	Internal	Maintain 50% employment of youth from all levels in each quarter by 30 June 2018	TARGET NOT MET 18.7% employment of youth	Maintain 50% employment of youth from all levels in each quarter by 30 June 2019	TARGET EXCEEDED 55,03 % employment of youth in all levels	N/A	






2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT ...continued										
OPMS: 02b		To increase appointment of vulnerable groups within staff complement: i) Women, ii) Youth iii) Disabled	Number of disabled people appointed in accordance with 2016-2021 Employment Equity (EE) policy by 30 June 2019	Internal	Appoint a total number of 3 disabled persons by 30 June 2018	Target not met 0 disabled persons appointed	3 disabled people appointed in accordance with 2016-2021 EE policy by 30 June 2019	TARGET NOT MET 1 disabled person appointed instead of 3	The Office of the Mayor and HR office have both developed on the mechanism to address and accommodate issues/ interests and the needs of the disabled including their readiness to be appointed in various positions of the municipality	
OPMS: 03		To invest in skills development	The percentage of a municipality's budget actually spent on implementing its Workplace Skills Plan (WSP); (NKPI)	Internal	100% of the total budget spent on implementation of Workplace Skills Plan (WSP) by 30 June 2018	Target not met 97% of WSP spent	90% of the WSP budget spent on implementation of WSP by 30 June 2019 WSP Budget: R2 177 583.70	TARGET EXCEEDED 93% was expended	N/A	
OPMS: 03a		To build capable and transformed institutional capacity	Number of Leadership and Governance training areas conducted for Councillors in terms of the WSP	Internal	4 Leadership and Governance areas conducted for Councillors in terms of the WSP by 30 June 2018	Target exceeded 5 trainings held for councillors on Leadership and Governance areas.	4 Councillor Leadership and Governance training areas conducted for councillors by 30 June 2019	TARGET EXCEEDED 8 programmes were rolled out	N/A	
OPMS: 03b		To build capable and transformed institutional capacity	Number of staff trained in terms of the WSP	Internal	280 staff trained in terms of the WSP by 30 June 2018	Target exceeded 336 staff trained in terms of the WSP	300 staff trained in terms of the WSP by 30 June 2019	TARGET NOT MET 290 staff members were trained	In the ensuing financial years the focus shall be on the impact and outcomes of the trainings and development programmes undertaken in the form of regular reports to council	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT ...continued										
OPMS: 04		To build capable and transformed institutional capacity	Number of reports submitted to Local Public Administration (LPA) on IT issues raised by the AG/Internal Audit	Internal	4 quarterly progress reports served before Local Public Administration (LPA) on implementation of Lekgotla resolutions by 30 June 2018	Target met 4 quarterly progress reports served before LPA on implementation of Lekgotla resolutions	4 reports submitted on IT issues raised by the AG/Internal Audit by 30 June 2019	TARGET EXCEEDED 5 reports were served	N/A	
OPMS: 05		To build capable and transformed institutional capacity	Number of succession planning activity reports consolidated and submitted to Local Public Administration (LPA)	Internal	4 reports submitted to LPA on Information Technology (IT) issues raised by the AG/Internal Audit by 30 June 2018	Target exceeded 8 reports submitted to LPA on IT issues raised by the AG/Internal Audit	4 succession planning activity reports consolidated and submitted to LPA by 30 June 2019	TARGET MET as 4 reports were served	N/A	
OPMS: 06		To enhance organisational performance	Review and approval of performance management framework by Council by the target date	Internal	2017/2018 PMS Framework approved by Council by 30 September 2017	Target exceeded. PMS Framework approved by Council on the 27th of July 2017 vide resolution C 962	PMS Framework approved by Council by 30 September 2018	TARGET MET PMS Framework approved by Council through resolution C 1019 on the 28 th of June 2018	N/A	
OPMS: 07		To enhance organisational performance	i) Approval of the top layer of the 2018/2019 SDBIP by Council within 28 days after approval of Annual Budget	Internal	Top Layer of the 2017/2018 SDBIP submitted to the Mayor within 28 days after approval of Annual Budget.	Target met 2017/2018 Top Layer SDBIP & Scorecard were submitted to the Mayor 28 days after approval and also submitted for approval by Council on the 13th of June 2017 vide resolution C 755 and C 327 with minor adjustments made on the scorecard and SDBIP on the 27th of March 2018	Top Layer of the 2018/2019 SDBIP submitted to the Mayor within 28 days after approval of Annual Budget	TARGET MET Top layer of the 2018/2019 SDBIP approved by Council through resolution C 1020 on the 28 th of June 2018	N/A	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT ...continued										
OPMS: 07a		To enhance organisational performance	2019/2020 top layer SDBIP prepared and submitted to Council within stipulated target dates	Internal	NEW	NEW	Top Layer of the 2019/2020 SDBIP submitted to the Mayor within 28 days after approval of Annual Budget	TARGET MET	N/A	
OPMS: 08		To enhance organisational performance	Number of S57 performance agreements signed and submitted to the MEC by target date	Internal	4 reports submitted to LPA on Information Technology (IT) issues raised by the AG/Internal Audit by 30 June 2018	Target exceeded 8 reports submitted to LPA on IT issues raised by the AG/Internal Audit	9- S57 Performance agreements signed and submitted to the MEC for LG by 15 August 2018	TARGET MET S-57 Performance Agreements submitted to COGTA on the 10th of August 2018, acknowledgement of receipt dated 30 August 2018	N/A	
OPMS: 08a		To enhance organisational performance	Number of 2019/2020 Performance agreements prepared and aligned to the SDBIP signed by all EDs	Internal	Eight (8) S57 Performance agreements signed and submitted to the MEC for LG by 31 July 2017	Target met 2017/2018 Performance agreements for S57 (8) completed and submitted to the MEC for LG. 1 additional agreement submitted on 6/09/2017 due to Executive Director Electrical commencing on 22/08/2017.	Ten S57 Performance Agreements for 2019/2020 prepared and aligned to the SDBIP signed by all E.Ds.	TARGET MET 9 Section 57 Performance Agreements for 2019/2020 completed and aligned to top layer of the SDBIP	1 ED resigned before signing of the new performance agreements for 2019/2020	
OPMS: 08b		To enhance organisational performance	Turnaround time for publishing section 57 employee's performance agreements after signing	Internal	"Publish section 57 employees performance agreements within 14 days after signing."	Target met i) Performance Agreements for S57 advertised in the Municipal website on the within 14 days after approval. ii) Advert for Performance agreement done in the local newspaper vide MN 100/2018	Publish section 57 employees performance agreements within 14 days after signing.	TARGET MET S-57 performance agreements published within 14 days after signing through advert MN100/2018	N/A	
OPMS: 09		To ensure statutory compliance with financial management. (AFS) and MFMA	Date submission of performance information & AFS to AG for annual auditing	Internal	Submit performance information & AFS to AG for auditing by 31 August 2018	Target met AFS and performance information submitted to the AG on the 31st of August 2018	Submit performance information & AFS to AG for auditing by 31 August 2018	TARGET MET Performance information and AFS submitted to the AG on the 31st of August 2018, acknowledgement letter 31 August	N/A	







2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT ...continued										
OPMS: 09a		To enhance organisational performance	Number of progress reports submitted in response to repeat findings raised by Internal Audit on performance information	Internal	0 repeat findings raised by Internal Audit and the AG on performance information and compliance to relevant legislations by 30 June 2018	Target not met	4 progress reports submitted in response to repeat findings raised by Internal Audit on performance information by 30 June 2019	TARGET NOT MET 1 report submitted.	The Internal Audit has compiled the report which it will present to Audit Committee. This report will be compiled and presented to Audcom on the quarterly basis.	
OPMS: 09b	CG/07/2017	To ensure statutory compliance with MFMA and MSA	Percentage compliance to relevant legislations monitored through implementation of a checklist		NEW	NEW	100% Compliance to relevant legislations monitored through implementation of a checklist by 30 June 2019	TARGET NOT MET. Four business units submitted their compliance checklist to Internal Audit.	Internal Audit is engaging with various business units to try to find solution of non-production of information when requested by Internal Audit.	
OPMS: 10		To enhance organisational performance	2017/2018 Annual Report approved and adopted by Council by target date	Internal	16/17 Annual Report approved and adopted by Council by 31 March 2018	Target met Annual Report tabled 27/03/2018 vide resolution C326.	17/18 Annual Report approved and adopted by Council by 31 March 2019	TARGET MET 1. AR tabled to Council on the 27th of March C 307 2. AR advertised on municipal website and newspaper	N/A	
OPMS: 10a		To enhance organisational performance	Adoption and publication of the oversight report 7 days after approval by Council	Internal	Oversight report adopted and made public 7 days after approval and adoption by Council by 31 March 2018	Target met i) Oversight report tabled to Council on the 27th of March vide resolutions C 325 ii) Oversight report advertised on the website and local media 7 days after adoption by Council MN 47/2018	Oversight report adopted and made public 7 days after approval and adoption by Council by 31 March 2019	TARGET MET Oversight report adopted by Council on the 27th of March C 308	N/A	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 1: INSTITUTIONAL TRANSFORMATION & MUNICIPAL DEVELOPMENT ...continued										
OPMS: 11		To enhance organisational performance	Number of quarterly reports aligned to the SDBIP & Organisational Scorecard reviewed by PAC & Council	Internal	4 quarterly reports aligned to the SDBIP & Organisational Scorecard reviewed by PAC & Council by 30 June 2018	Target met 4 quarterly reports aligned to the SDBIP & Organisational Scorecard were reviewed by PAC & Council by 30 June 2018	4 quarterly reports aligned to the SDBIP & Organisational Scorecard reviewed by PAC & Council by 30 June 2019	TARGET MET Q4- 2017/2018 report aligned to SDBIP & OPMS reviewed by PAC	N/A	
OPMS: 11a		To enhance organisational performance	Number of quarterly performance reviews conducted for S57	Internal	4 quarterly performance reviews for S57 conducted by 30 June 2018	Target met 4 quarterly performance reviews for S57 conducted by 30 June 2018	4 quarterly performance reviews for S57 conducted by 30 June 2019	TARGET NOT MET 2 Performance reviews conducted.	There was postponement of meetings due to commitment of other members, in the new year a programme of reviews will be sent for the entire year to ensure that all members schedule the meetings as per the plan	
OPMS: 11b		To enhance organisational performance	Date by which Midyear Performance Report is prepared and submitted to the Mayor, Provincial Treasury & COGTA	Internal	Prepare and submit the Midyear Performance Report to the Mayor, Provincial Treasury & COGTA by 25 January 2018	Target met 2017/2018 Midyear Performance Report to the Mayor, Provincial Treasury & COGTA by 28 February 2018	Prepare and submit the Midyear Performance Report to the Mayor, Provincial Treasury & COGTA by 25 January 2019	TARGET MET Adjusted scorecard submitted to Council on the 27th of March C 312 and advertised in Ilanga on the 8th of April.	N/A	
OPMS: 12		To enhance organisational performance	Date completion of 2017/2018-S57 Annual Evaluation and submission of report to Council for approval	Internal	2016/2017 Annual Evaluation Report for Section 57 Managers completed and submitted to council for approval by 30 June 2018	Target exceeded 2016/2017 Annual Evaluation Report for Section 57 Managers was completed on 30/05/2018 and submitted to council for approval on the vide resolution C 724	2017/2018 Annual Evaluation Report for Section 57 Managers completed and submitted to council for approval by 30 June 2019	1. TARGET MET 2017/2018 Final evaluations Conducted on 09 and 10 April 2019. 2. 2017/18 Annual evaluation report for S57 Manger submitted to Council for approval on 16 May 2019: Council Res: C478	N/A	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: GOOD GOVERNANCE & PUBLIC PARTICIPATION										
OPMS: 13		To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government	Approval and adoption of the IDP/ Budget & PMS process plan for 2019/2020	All wards	2018/2019 IDP/Budget & PMS process plan approved and adopted by Council by 31 August 2017	Target met. IDP process plan approved by Council on 13 August 2017. Council Res: C1161	2019/2020 IDP/Budget & PMS process plan approved and adopted by Council by 31 August 2018	TARGET MET through Council resolution C1289 of 28 August 2018.	N/A	
OPMS: 13a		To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government	Approval and adoption of the 2019/2020 IDP in line with S129 MFMA & Chapters 5&6 MSA by Council by the target date	All wards	2018/2019 IDP in line with Chapters 5&6 MSA approved by Council 31 May 2018	Target met: Adoption meeting held on the 30 May 2018 via Council Resolution C750	2019/2020 IDP in line with Chapters 5&6 MSA approved by Council 31 May 2018	TARGET MET 2018/2019 IDP adopted by Council on 30 May 2019 resolution C 494	N/A	
OPMS: 14		To involve local communities in matters of local government	Number of reports on functionality of ward committees received, consolidated and submitted to Council.	All wards	4 reports received from ward committees consolidated and submitted to Council by 30 June 2018	Target not met 2 ward committee reports submitted. Council Resolution C992 of 26/06/2018	4 reports received from ward committees consolidated and submitted to Council by 30 June 2019	TARGET MET 4 Reports submitted.	N/A	
OPMS: 15		To implement public participation programmes	20 community engagement meetings held by 30 June 2019	All wards	100 community engagement meetings held by 30 June 2018	Target not met 97 community engagement meetings held	80 community engagement meetings held by 30 June 2019	TARGET EXCEEDED 84 Community engagement meetings held in the 2018/19 financial year.	N/A	
OPMS: 16		To implement community-based planning	2 community-based plans developed by 30 June 2019	All wards	2018/2019 community-based plans for 10 wards in line with MSA Sec16(1) and 29(b) by 30 June 2018	Target not met The community-based plans were not approved and adopted	2018/2019 community-based plans developed for 10 wards in line with MSA Sec16(1) and 29(b) by 30 June 2018	TARGET MET 10 Community Based Plans developed for the 2018/2019 financial year.	N/A	
OPMS: 17		To provide effective and efficient contract management	All contracts received from Service providers signed within 30 days from date of receipt by 30 June 2019	Internal	All contracts issued signed within 14 days from date of receipt by 30 June 2018	Target met 12 contracts issued signed within 14 days from date of receipt.	All contracts issued signed within 30 days from date of receipt by 30 June 2019	TARGET MET All received contracts issued and signed within 30 days	N/A	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: GOOD GOVERNANCE & PUBLIC PARTICIPATION ...continued										
OPMS: 17a		To ensure effective and efficient integrated legal and advisory Legal Services for Council	All SPLUMA documents vetted and approved within 21 days from date of receipt by 31 June 2019	Internal	NEW	NEW	All SPLUMA legal documents vetted and approved within 21 days from date of receipt by 30 June 2019	TARGET MET All Spluma legal documents vetted and approved within 30days	N/A	
OPMS: 18		To provide effective and efficient Legal Services for Council	Approval of 2019/2020 Risk Based Internal Audit Plan and approval by 30 June 2019	Internal	2017/2018 Risk based Internal Audit Plan (RBIAP) approved by Audit Committee and Council by 30 September 2017	Target met 2017/2018 Risk based Internal Audit Plan (RBIAP) approved by Audit Committee and Council	2018/2019 Risk based Internal Audit Plan (RBIAP) approved by Audit Committee and Council by 31 July 2018	TARGET EXCEEDED The 2018-2019 risk register was adopted on the 28th of June 2018 during a Special Council meeting. Council Resolution: C1021)	N/A	
OPMS: 18a		To provide effective and efficient Internal Audit services for Council	100% of IA projects planned for quarter four completed by 30 June 2019	Internal	80% of audit projects in the approved risk based internal audit action plan completed by 30 June 2018	Target not met 70% of audit projects in the approved risk based internal audit action plan completed	100% of IA projects in the approved risk based internal audit action plan completed by 30 June 2019	TARGET NOT MET 44% achieved	Lack of capacity in IA Unit due to vacancies had been reported to AUDCOM and Council. Progress in recruitment has been prioritised. Also, some Ad-Hoc projects on request of MM have been completed during the year.	
OPMS: 18b		To ensure compliance with the laws and regulations	Number of progress reports on AG action plans submitted to Audit Committee, EXCO or Council	Internal	4 Dashboard reports with reliable, accurate and verifiable Management Comments submitted to Audit Committee, EXCO and Council by 30 June 2018	Target not met 2 dashboard reports submitted	4 progress reports on AG action plans submitted to Audcom/Exco or Council by 30 June 2019	TARGET NOT MET 3 progress reports have been submitted.	Lack of capacity in IA Unit due to vacancies had been reported to AUDCOM and Council. Progress in recruitment has been prioritised. Also, some Ad-Hoc projects on request of MM have been completed during the year. The report will be submitted to Audcom meeting schedule for quarter one of the new financial year.	







2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: GOOD GOVERNANCE & PUBLIC PARTICIPATION ...continued										
OPMS: 18c		To ensure compliance with the laws and regulations	Number of Internal Audit reports submitted to Audcom/PAC and Council on compliance to relevant laws and regulations for financial and performance information	Internal	4 progress reports on AG action plans submitted to Audcom/Exco/ Council by 30 June 2018	Target not met 2 reports submitted	4 Internal Audit reports submitted to Audcom/PAC and Council on compliance to relevant laws and regulations on financial and performance information by 30 June 2019	TARGET NOT MET 3 progress reports have been submitted.	Lack of capacity in IA Unit due to vacancies had been reported to AUDCOM and Council. Progress in recruitment has been prioritised. Also, some Ad-Hoc projects on request of MM have been completed during the year. The report will be submitted to Audcom meeting schedule for quarter one of the new financial year.	
OPMS: 19		To enhance organisational performance	Number of progress reports to Council on implementation of Lekgotla resolutions	Internal	NEW	NEW	4 progress reports to Council on implementation of Lekgotla resolutions	TARGET NOT MET. 1 Report sent to Exco on the implementation of Legotla resolutions		
OPMS: 20		To ensure compliance with the laws and regulations	Number of Performance Audit Reports submitted to Council as required by MPPMR 14(4) (a) (iii).	Internal	2 PAC reports submitted to Council by the Performance Audit Committee by 30 June 2018	Target not met 1 report submitted	2 PAC/Audcom reports submitted to Council by the Performance Audit Committee by 30 June 2019	TARGET MET PAC/Audcom reports were presented to Council res: C1558 Council res. C 554	N/A	
OPMS: 20a		To ensure compliance with the laws and regulations	Number of PAC/Audcom meetings held	Internal	4 reports submitted to Audcom/PAC and Council on compliance to relevant laws and regulations on financial and performance information by 30 June 2018	Target not met 1 compliance report submitted to Audcom/ PAC	4 Audcom/ PAC meetings held by 30 June 2019	TARGET EXCEEDED 1. 19 July 2018 2. 21 August 2018 3. 25 Sep 2018 4. 11 Oct 2018, 5. 08 Nov 2018 6. 28 Nov 2018 7. 29 March 2019 8. 3 May 2019	N/A	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: GOOD GOVERNANCE & PUBLIC PARTICIPATION ...continued										
OPMS: 21		To identify, assess and manage key risks of which organisation is exposed to	Approval and adoption of the Risk Register by Council	Internal	Risk Register approved and adopted by Council by 30 September 2017	Target met. Risk register for 2017/2018 approved by: Council Resolution: C1340 of 14 Sep 2017	Risk Register approved and adopted by Council by 31 July 2018	TARGET MET The 2018-2019 risk register was adopted on the 28th of June 2018 during a Special Council meeting. Council Resolution: C1021)	N/A	
OPMS: 21a		To identify, assess and manage key risks of which organisation is exposed to	Number of reports on the overall municipal risks submitted to the Risk Committee, Audit Committee and Council	Internal	4 reports on the overall municipal risks submitted to the Risk Committee, Audit Committee and Council by 30 June 2018	Target met 4 reports on the overall municipal risks submitted to the Risk Committee, Audit Committee and Council	4 reports on the overall municipal risks submitted to the Risk Committee, Audit Committee and Exco by 30 June 2019	TARGET NOT MET 2 Reports submitted 1st report submitted to EXCO on 19 Sep 2018. Res:1452 2nd report submitted to EXCO on 21 Nov 2018. Res: 1887.	Capacity problems and then Committee with independent Chair was established and then unforeseen leave which will be sorted out by building more capacity. Reports will be fully submitted in the next year.	
OPMS: 21b		To perform follow-ups on implementation of action plans	Number of risks mitigated from the risk action plan	Internal	249 Action plans mitigated by 30 June 2018	Target not met, 46 of 249 action plans were mitigated	268 Risks mitigated from the risk action plan by 30 June 2019	TARGET NOT MET 22 risks mitigated	Progress reports with action plans will be discussed at Portfolio Committees. Regular risk committee meetings are held with chaired by the external independent Chairperson	
OPMS: 21c		To address oversight requirements of risk management and institution's performance with regards to risk management	Number of Ethics, Fraud & Risk Committee Meetings held	Internal	4 Risk Committee Meetings held by 30 June 2018	Target met 4 Risk Committee meetings were held	4 Ethics, Fraud & Risk Committee Meetings held by 30 June 2019	TARGET MET The 2018-2019 risk register was adopted on the 28th of June 2018 during a Special Council meeting. Council Resolution: C1021)	N/A	







2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 2: GOOD GOVERNANCE & PUBLIC PARTICIPATION ...continued										
OPMS: 22	CG/19/2017 CG/20/2017	To ensure co-ordination and alignment of developmental programmes of the municipality with other spheres of government	Number of war-room reports on Operation Sukuma Sakhe consolidated and submitted to Council (OSS)	All wards	5 Sukuma Sakhe war-room reports consolidated and submitted to Council by June 2018	Target not met 1 report on OSS consolidated and submitted to Council	4 Sukuma Sakhe war-room intervention reports consolidated and submitted to Council by June 2019	TARGET NOT MET 3 Sukuma reports submitted.	Due to internal capacity problems in the unit, there were delays, however, two more staff members were recruited therefore more reports to be submitted in the first quarter of 2019/2020	
OPMS: 23		To ensure co-ordinated effort for the implementation of positive impact towards behaviour change.	Number of HIV/AIDS program reports consolidated and submitted to Council	All wards	4 HIV/AIDS reports consolidated and submitted to Council by 30 June 2018.	Target not met 3 Reports on HIV/Aids conducted and submitted to Council	4HIV/AIDS program reports consolidated and submitted to Council by 30 June 2019	TARGET MET 4 Reports on HIV/Aids submitted	N/A	
OPMS: 24		To streamline empowerment and development of vulnerable groups	Number of KDM Special programmes for vulnerable groups facilitated	All wards	5 Special programmes for vulnerable groups facilitated in each quarter by 30 June 2018	Target met 5 Special programmes for vulnerable groups facilitated in each quarter	5 Special programmes for vulnerable groups facilitated in each quarter by 30 June 2019	TARGET MET 5 Special programmes conducted for the 2018/2019,	N/A	
OPMS: 25		To involve local communities in matters of local government	Number of radio slots done by the Mayor with Radio stations	All wards	12 radio slots done by the Mayor with local radio stations by 30 June 2018.	Target significantly exceeded 63 Radio slots were conducted by the Mayor in local Radio stations.	24 Mayoral Radio slots conducted with Radio Stations by 30 June 2019	TARGET EXCEEDED 65 Mayoral Radio Slots conducted	N/A	
OPMS: 26		To ensure debt management through encouraging and synthesising with local communities to pay for services offered	Number of Masakhane campaigns conducted	11, 25, 19, 18, 1, 3, 8, 21, 20, 23	NEW	NEW	4 masakhane campaigns conducted by 30 June 2019	TARGET NOT MET	Programme was discontinued. The programme was an MEC initiative.	
OPMS: 27		To ensure proper reporting on the progress of debt collection for Council.	Number of progress reports on Masakhane Campaigns submitted to Council.	Internal	NEW	NEW	3 progress reports submitted to Council on the Masakhane campaigns by 30 June 2019	TARGET NOT MET	Programme was discontinued. The programme was an MEC initiative.	






2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: LOCAL ECONOMIC DEVELOPMENT										
OPMS: 28	N/A	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	The number of jobs created through municipality's local economic development initiatives. (NKPI)	All Wards	100 Jobs created by 30 June 2018	Target not met 15 jobs created	50 Jobs created by 30 June 2019	TARGET EXCEEDED 104 jobs created.	N/A	
OPMS: 28a	N/A	To create an enabling environment for Local Economic Development and job creation	The number of jobs created through municipality's capital projects. (NKPI)	All Wards	400 jobs created through capital projects by 30 June 2018: i) Civil and Human Settlement = 200 jobs ii) Community Services = 50 jobs iv) Electrical Services = 150 jobs	Target significantly exceeded. 870 Jobs created through capital projects: i) Civil and Human Settlement = jobs 684 iii) Comm Services = 77 jobs iv) Electrical Services = 109 jobs	400 jobs created through capital projects by 30 June 2019: i) Civil & Human Settlements = 200 jobs ii) Community Services = 50 jobs iii) Electrical Services = 150 jobs	TARGET NOT MET 393 jobs created through capital projects by 30 June 2019: i) Civil & Human Settlements = 282 jobs ii) Community Services = 52 jobs iii) Electrical Services = 59 jobs	Increase labour intensive work in order to create more jobs from Capital projects	
OPMS: 28b	N/A	To use capital infrastructure and social investment to provide poverty and income relief through temporary work for the unemployed	Number of job opportunities created through implementation of Expanded Public Works Programme (EPWP)	All Wards	200 job opportunities created through EPWP by 30 June 2018	Target not met 106 jobs created through EPWP	200 job opportunities created through EPWP by 30 June 2019	TARGET NOT MET 51 Jobs created this financial year due to limited funding.	There will be a once off appointment of the EPWP beneficiaries through the financial year because new appointments are dependent on the grant allocation.	
OPMS: 29	EDP/23/2017	To develop a prosperous, inclusive, transformative and diverse local economy	Number of Emerging Contractors continuously participating in the KDM Emerging Contractors programme	All Wards	30 Emerging Contractors developed by 30 June 2018	Target met 30 emerging contractors developed	30 Emerging Contractors continuously participating in the KDM Emerging Contractors programme through the financial year (1 July 2018 - 30 June 2019)	TARGET MET 30 Emerging Contractors continuously participating in the KDM Emerging Contractors programme through the financial year	N/A	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: LOCAL ECONOMIC DEVELOPMENT ...continued										
OPMS: 29a	EDP/17/2017	To promote economic growth by creating an enabling environment for SMME development	Number of entrepreneurs participating in the programme	All Wards	NEW	NEW	4 entrepreneurship training programmes conducted by 30 June 2019	TARGET MET: 4 entrepreneurship programmes conducted.	N/A	
OPMS: 30	EDP/03/2017	To develop a prosperous, inclusive, transformative and diverse local economy	Number of Hawkers Facilities erected	All Wards	35 Hawkers Facilities erected by 30 June 2018	Target not met No facilities erected	20 Hawkers Facilities erected by 30 June 2019	TARGET NOT MET Facilities were renovated and 15 were erected.	Site identification for new facilities will be identified before end of 1st Quarter of 2019/2020 and roll-out be implemented on the identified sites by end of 2019/2020.	
OPMS: 31	N/A	To develop a prosperous, inclusive, transformative and diverse local economy	Number of cooperatives supported	All Wards	8 Cooperatives supported by 30 June 2018	Target exceeded 27 Cooperatives supported	30 Cooperatives supported by 30 June 2019	TARGET EXCEEDED 56 Cooperatives supported.	N/A	
OPMS: 32	N/A	To develop a prosperous, inclusive, transformative and diverse local economy	Number of Emerging Furniture Manufacturers Cooperatives Supported	All Wards	NEW	NEW	5 Emerging Furniture Manufacturers Cooperatives supported by 30 June 2019	TARGET MET: 5 Cooperatives registered and supported with material for manufacturing Furniture	N/A	
OPMS: 33	N/A	To develop a prosperous, inclusive, transformative and diverse local economy	Date approval of 5 year Local economic development plan	All Wards	NEW	NEW	5 year Local Economic Development Plan approved by 30 June 2019	TARGET NOT MET Panel of service providers for Economic Development has been finalised and approved,	Appointment of service provider from the panel will be finalised in the new financial year	
OPMS: 34	EDP/19/2017	To develop a prosperous, inclusive, transformative and diverse local economy	Number of participating traders/ enterprises	All Wards	NEW	NEW	50 Traders/ Enterprises participated by 30 June 2019	TARGET EXCEEDED 51 Exhibitors participated in the Exhibition during the Business Week in November 2018	N/A	





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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 3: LOCAL ECONOMIC DEVELOPMENT ...continued										
OPMS: 35	EDP/ 22/2017	To develop a prosperous, inclusive, transformative and diverse local economy	Number of Business Development session held	All Wards	25 Business Development Sessions held by 30 June 2018	Target exceeded 30 Sessions Held	30 Business Development Sessions held by 30 June 2019	TARGET EXCEEDED 38 Business sessions were held.	N/A	
OPMS: 36a	EDP/ 14/2017	To position KwaDukuza to be a tourist and investor destination of choice	Number of tourism shows attended	All Wards	4 Tourism Shows attended by 30 June 2018	Target met.	5 Tourism Shows attended by 30 June 2019	TARGET NOT MET 3 tourism shows were attended and 5 were identified	The EDP BU will ensure that identified additional shows to attend which are traditionally not attended by Tourism KZN by 30 th of September 2019.	
OPMS: 37	EDP/18 /2017	To position KwaDukuza to be a tourist and investor destination of choice	Number of Crafters Developed	All Wards	NEW	NEW	20 crafters developed by 30 June 2019	TARGET EXCEEDED 26 Crafters developed by 30 June 2019 - Beadwork Training Programme from 23 -29 April 2019	N/A	
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT										
OPMS: 38	CG/05/2017	To involve local communities in matters of local government	Approved 2017/2018 Customer Satisfaction Survey Report	All wards	Customer Satisfaction report approved by Council by 30 June 2018	Target not met Customer Satisfaction report was not compiled by 30 June 2018 for the submission to council.	Customer Satisfaction report approved by Council by 30 June 2019	TARGET NOT MET CSS report was approved by Exco after the targeted date through C571 EXCO: 03/07/2019	Council meeting scheduled for the 26th of June in which the report was part of the Agenda, did not sit due to the strike which led to suspension of all Council activities and only sat in July after the strike was over.	
OPMS: 39		To facilitate provision of formal housing through construction of high quality houses.	Number of new houses constructed	All wards	355 new houses constructed by 30 June 2018	Target exceeded 501 new houses constructed	400 new houses constructed by 30 June 2019	TARGET NOT MET 314 new houses constructed	Two new contractors were appointed in the fourth quarter of 2018/19 financial year in Ntshawini 10 houses are at wall plate Level and in Lloyds 32 Houses are at Roof Level	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 39a		To ensure fair, transparent and compliant housing beneficiary management system.	Number of houses handed over to beneficiaries	All wards	340 Houses handed over to beneficiaries by 30 June 2018	Target significantly exceeded 501 new houses constructed	350 Houses handed over to beneficiaries by 30 June 2019	TARGET EXCEEDED 365 houses handed over to beneficiaries	N/A	
OPMS: 39b		To restore human dignity through asset ownership	Number of Enhanced Extended Discount Benefit Scheme (EEDBS) units transferred as per the business plan with Dept. of Human Settlements (DOHS)	All wards	183 EEDBS units transferred by 30 June 2018.	Target not met 13 EEDBS units transferred	40 EEDBS units transferred by 30 June 2019.	TARGET NOT MET 9 EEDBS units handed over	The Municipality will conduct the Social Survey to find out the extent of the Deceased and Missing beneficiaries, the Missing Beneficiaries will be Advertised on the newspapers, which will be followed by decision of the tribunal Court for deregistration and giving the next of kin the title deeds. This has been a problem since introduction of the program where original beneficiaries were missing and require these processes. It is an ongoing process and it is beyond the control of KDM.	
OPMS: 40		To contribute to a safe and secure environment.	Land transfer, zoning and architectural designs completed by target date.	All wards	Transfer of land to the municipality completed by 30 June 2018.	Target not met. Land not transferred but rezoning and subdivision of land has been done.	Completion of land transfers process and architectural designs of KDM vehicle licensing testing centre by 30 June 2019	TARGET NOT MET Land sub-division not completed	Town Planning process to be followed in terms of relevant legislations	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 41	ES/70/2017 ES/56/2017 ES/55/2017 ES/52/2017	To ensure that all citizens have an electricity service connection	The number of households with access to basic level of electricity (NKPI)	All wards	67 281 households with access to basic level of electricity by 30 June 2018 (66 142 baseline + 1 139 infill's)	Target not met. 66 000 households with access to electricity. Contour = 46 240 Munsoft = 10 598 Eskom = 9162 TOTAL = 66 000	67 281 households with access to basic level of electricity by 30 June 2019 (66 142 baseline + 1 139 infill's).	TARGET NOT MET Contour: 46 830 Munsoft: 10 624 Eskom: 5 093 TOTAL = 62 547 households with access to electricity	To proceed with Electrification and infills for FY2019/20 and appoint panel of contractors in Q3 of FY 2019/20 that will do work over a period of three years (2019/20; 2020/21 and 2021/2022)	
OPMS: 42	ES/30/2017 ES/39/2017 ES/40/2017 ES/23/2017 ES/32/2017 ES/33/2017 ES/28/2017	To provide acceptable level of electricity to customers within electrical supply area of jurisdiction	Number of LT Mains projects upgraded in the North & South	4; 19, 21	4 LT Mains projects upgraded in the North & South by 30 June 2018	Target not met 0 LT Mains projects upgraded in the North & South by 30 June 2018	4 LT Mains projects upgraded in the North & South by 30 June 2019	TARGET NOT MET 0 LT Mains projects upgraded. Tender submitted to TSC 25/05/19	Tender was cancelled due to non-responsive period and had to wait for 6month cooling off period. Re-advertised on 24/05/19	
OPMS: 43	ES/43/2017 ES/44/2017 ES/45/2017 ES/26/2017	To provide acceptable level of reliable / quality of electricity supply	Number of MV Network projects upgraded in North	Wards 5; 11; 27; 24; 19; 16; 9; 27	7 MV Network projects upgraded in the North by 31 December 2017	Target not met Upgrade of 2 MV Networks - NORTH completed: i) Dendethu Phase 5 (Ocean Lodge) ii) Old Blythedale Feeder Upgrade 11kV Cable	14 MV Network projects upgraded in the North by 30 June 2019	TARGET NOT MET 1 MV Network project upgraded in the North, which is Townview 500 kVA. Completion certificate dated 24/10/2018. The remaining MV Network projects: TEC dated 13/04/19, TAC 07/05/19 and appointment of Contractor dated 03/06/19.	Issue completion certificate in Q2 2019/20 financial year	
OPMS: 44	ES/07/2017 ES/09/2017 ES/10/2017	To provide acceptable level of reliable / quality of electricity supply	Number of MV Network projects upgraded in the South	Wards 12, 28	4 MV Network projects upgraded in the South by 31 December 2017	Target not met Upgrade of 3 MV Networks - SOUTH completed: i) Glendale Alexa Farm Shayamoya Phase 2 ii) Compensation Phase 5 (Jordan) iii) Compensation Phase 6 (Wise Main Feeder)	5 MV Network projects upgraded in the South by 30 June 2019	TARGET NOT MET 0 MV Network projects upgraded in the South. TEC dated 13/04/19, TAC 07/05/19 and appointment of Contractor dated 03/06/19.	Issue completion certificate in Q2 2019/20 financial year	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 45	ES/07/2017 ES/09/2017 ES/10/2017	To provide acceptable level of reliable / quality of electricity supply	Number of Electricity Bulk Supply in the North replaced by target date. (Roll Over Project)	Wards 18; 19	2 electricity bulk supply projects completed in the North by 30 June 2018	Target not met 1 project completed in the North i) Rebuild Sappi 33kV OHL Phase 2	Replace 1 x 33kV Cable between Lavopiere and Industrial Sub Phase 2 by 30 June 2019.	TARGET NOT MET 33kV Cable between Lavoipiere and Industrial Sub Phase 2 not done. Worley Pasrons RSA (pty) Limited/IX Engineers are the consultants appointed in 3 May 2017 for this project. Tender submitted to TSC 18/04/2019	Tender was cancelled due to non-responsive period and had to wait for 6 month cooling off period. Re-advertised on 24/05/19	
OPMS: 46	ES/53/2017 ES/54/2017	To ensure that energy losses are reduced within legislated guidelines	% of Energy kilowatts loss reduced to 12% by target date.	All wards	Energy kilowatts loss reduced to 10% by 30 June 2018	Target not met. No reduction from 17% to 10%. Energy losses still standing at 16.36%.	(5% Reduction) Energy kilowatts losses reduced to 12% from 17% by 30 June 2019.	TARGET NOT MET Increase in energy losses experienced. From 17,01% to 18,05% - 1,04 increase in total	Appoint service provider to do meter audit and the implementation of smart meters by the end of Q1 of 2019/2020	
OPMS: 47		To maintain and upgrade existing municipal infrastructure	kilometres of existing unpaved roads regavelled	(All rural wards) 1, 2, 3, 4, 5, 7, 9, 10, 11, 12, 13, 14 15, 16, 17, 20, 21, 23, 24, 25, 26, 27 & 29	3 kilometres of existing unpaved roads regavelled by 30 June 2018	Target exceeded 7.22km of existing unpaved roads regavelled	4 kilometres of existing unpaved roads regavelled by 30 June 2019	TARGET EXCEEDED 4,373km's roads regavelled 0,542km in Ward 12 Thembeni road on 16/05/2019 0,610 km's in Ward 12-Creche road completed on 06/05/2019 0.521 km in Ward 10 completed in 06/06/2019. 0,7 km in Ward 25 completed on 22/05/2019, 0,8km in ward 01 completed on 06/06/2019, 0,630 km in wad 29 completed on 21/06/2019, 0,570 km in ward 29 completed on 21/06/2019.	N/A	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 48		To maintain and upgrade existing municipal infrastructure	Kilometres of black top roads rehabilitated	All Wards	4 Kilometres of black top roads rehabilitated by 30 June 2018	Target met. 4km of black top roads rehabilitated: i) Greyridge 0.6km completed ii) Manor Drive 0.5km completed iii) Compensation 2.9km completed	4.8 Kilometres of black top roads rehabilitated by 30 June 2019	TARGET NOT MET 0 kilometres of blacktop roads rehabilitated	There were roads repaired/rehabilitated which are currently at practical completion, however the bulk of rehabilitation will be rolled over to the 2019/2020 due to delays as result of SCM processes which are beyond our control.	
OPMS: 49	CVL/18/2017	To maintain municipal roads in accordance with approved maintenance plan	Turnaround time to repair potholes once job card has been issued.	All Wards	Potholes repaired within 5 working days of job card being issued.	Target not met There was no potholes repaired within 5 working days from the time the job card was issued.	Potholes repaired within 5 working days of job card being issued.	TARGET NOT MET There was no potholes repaired within 5 working days from the time the job card was issued.	In the next financial year, potholes will be measured as square metres patched.	
OPMS: 50		To maintain and upgrade existing municipal infrastructure	Number of storm water infrastructure projects rehabilitated	Wards 4, 8, 6, 12, 13, 15, 16, 21, 22, 23, 24, 26, 28, 29	16 storm water infrastructure projects rehabilitated by 30 June 2018	Target met Rehabilitation of 16 storm water infrastructure projects completed in: i) Wards 6, 12, 13, 15, 16, 19, 21, 22, 24, 26, 28, 29 ii) Shayamoya - Ward 23 iii) Nkobongo - Ward 8 iv) Shakashead- Ward 4	10 storm water infrastructure projects rehabilitated by 30 June 2019	TARGET MET 10 storm waters completed. 1. Ward 15 stormwater completed in 28/09/2018, 2. Ward 10 stormwater completed in 13/08/2019, 3. Ward 19 stormwater completed in 29/10/2018, 4. Ward 13 stormwater completed in 21/09/2018, 5. Nkobongo stormwater completed in 28/12/2018 6. Ward 2 stormwater completed in 06/12/2019 7. Ward 4 stormwater completed in 12/12/2018 8. Ward 12 stormwater completed in 22/11/2018 9. Ward 21 stormwater completed in 13/12/2019 10. Ward 28 stormwater completed in 12/12/2018	N/A	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 51	CVL/19/2017	To ensure that all households have access to roads	Kilometres of access roads upgraded to blacktop	Wards 16; 14; 7; 4; 12; 16; 29; 2; 10; 20; 23; 18	1.63kms of access roads upgraded to blacktop by 30 June 2018	Target not met 0.13km of Madundube Community Hall access road completed.	8 kms of access roads upgraded to blacktop by 30 June 2019	TARGET NOT MET 1.2024 kms of access roads upgraded to blacktop	Contractors are currently busy on site for the following projects: Ward 4 internal road, Dube Village road and stormwater, Gizenga street and stormwater, Khalafukwe internal road and Ward 2 internal road. Shayamoya road it's on designs stage. Mfemfe and Ngwesi street still awaiting the appointment of the panel of road rehabs Projects will be rolled over and be completed in Q4 of 19/20 financial year	
OPMS: 52		To ensure safety to road users	Number of speed humps completed	All 29 wards (1 per ward)	20 Speed humps completed by 31 March 2018	Target exceeded 22 speed humps completed 2) 2 Speed humps in Cluster B Ward 13 3) 4 Speed humps in Cluster A Ward 22, 6 4) 8 Speed humps in Cluster E Ward 7, 8, 20, 23 5) 8 Speedups in cluster D Ward 10, 11, 12, 29	33 of Speed humps completed by 30 June 2019	TARGET NOT MET 0 speed humps completed There were delays in SCM processes and the project is currently at evaluation committee.	Bid Committees have been increased and split as per the business units i.e. TEC for Civil & Human Settlements and another for Electrical Business Unit in order to speed up service delivery.	
OPMS: 53		To ensure safety to road users	Kilometres of sidewalks constructed	Ward 19, 15,16	NEW	NEW	2km's of sidewalks constructed by 30 June 2019	TARGET NOT MET 0 sidewalks constructed The funds were re-allocated to attend emergency work	Project will be rolled over and be completed in Q4 of 19/20 financial year	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 54		To ensure safety to road users	Construction of Nyathikazi bridge	Ward 03	NEW	NEW	Construction of Nyathikazi bridge by 30 June 2019.	TARGET NOT MET 0 bridge completed There were delays in the construction of the project due to community protest and inclement weather. Contractor has completed foundations and columns. Currently busy with decking.	Project will be rolled over and be completed in Q2 of 19/20 financial year	
OPMS: 55		To ensure that the community has access to functional public amenities	Construction of Chris Hani sportfield by target date	Ward 15	NEW	NEW	Construction of Chris Hani sport field by 30 June 2019.	TARGET NOT MET 0 sport field completed	The project was delayed by the boundaries that were encroaching the private property and it had to be moved to another piece of land that has resulted in the project delay. Projects will be rolled over to next financial year completed in Q2	
OPMS: 56		To ensure that the community has access to functional public amenities	Land Identified for Child care facility in Ward 16 and SCM Processes Completed by 30 June 2019	Wards 16; 21	Construction of 1 Child Care facility completed by 30 June 2018: Ward 21 - Driefontein Child Care Facility	Target met. Construction of 1 Child Care Facility completed by April 2018: Ward 21 - Driefontein Child Care Facility.	Land Identified for Child care facility in Ward 16 and SCM Processes Completed by 30 June 2019 (There was no site available to construct the facility. New site to be sought).	TARGET NOT MET Child care facility not completed	Project will not be carried over to the next financial year, it was cancelled, due to no land being available in Ward 16 for the Child Care Facility.	





2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 57		To ensure that the community has access to functional public amenities	Number of recreational facilities upgraded	Wards 2, 6, 12, 22	4 recreational facilities upgraded by 30 June 2018 and 2 recreational facilities progress reports.	Target not met. 3 of the 4 recreational facilities upgraded. i) Ward 11 - Beach facilities Blythedale Beach. Completion Certificate dated 27/09/2017 from BMK Engineering Consultant. ii) Ward 6 - Upgrade Ablution Willard Beach iii) Shakas Cove	1 recreational facility upgraded by 30 June 2019 (There is a donor that is going to undertake the refurbishment of the beach facilities. Under Council Resolution C 1896. The project is removed. It will be implemented by Private developer. Balwin Properties as part of their social corporate investment.)	TARGET MET Completion certificate issued by Nyeleti Consulting Engineers dated 28/06/2019.	N/A	
OPMS: 58		To ensure that the community has access to functional public amenities	Upgrade of Blythedale Beach Caravan Park completed by target date.	Ward 11	Upgrade of Blythedale Beach Caravan Park completed by 30 June 2018	Target not met. Upgrade of Blythedale Beach Caravan Park was not completed by 30 June 2018	Upgrade of Blythedale Beach Caravan Park completed by 31 December 2018	TARGET MET Blythedale Beach Caravan Park completed in Q2. Completion certificate from SMA Consultants dated 14/12/2018.	N/A	
OPMS: 59	CVL/22/2017	To provide access to basic municipal services to all citizens	The percentage of households earning less than R3 500 per month with access to basic level of free solid waste removal (NKPI)	All Wards	100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register by 30 June 2018	Target met. 100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register by 30 June 2018.	100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register by 30 June 2019	TARGET MET 100% access to basic level of free solid waste removal for consumers registered on the Council approved indigent register - 11950 consumers in Total	N/A	
OPMS: 59a	CVL/14/2017	To provide access to basic solid waste services to all citizens	The percentage of households with access to basic level of solid waste removal (NKPI)	All Wards	100% of estimated households with access to basic level of solid waste removal by 30 June 2018	Target met. 100% of estimated households with access to basic level of solid waste removal by 30 June 2018	100% of estimated households with access to basic level of solid waste removal by 30 June 2019	TARGET MET 100% of estimated households with access to basic level of solid waste removal.	N/A	



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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 4: BASIC SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT ...continued										
OPMS: 60		To ensure that the community has access to licenced burial facilities	Year 4 - Vlakspruit Cemetery i) Phase 5 completed by target date	Ward 7	Vlakspruit Cemetery i) Phase 3 Access Road and ii) Phase 4 Cemetery establishment completed by 30 June 2018	Target met. Completion Certificate for Phase 3 Access Road dated 20/11/2017. Phase 4 Cemetery establishment completed by 29 June 2018.	Year 4 - Vlakspruit Cemetery i) Phase 5 completed by 30 June 2019	TARGET NOT MET Vlakspruit Cemetery i) Phase 5 not completed	Make a written submission following up on the finalisation of the appointment of service provider to the chairperson of the Tender Adjudication Committee and Accounting Officers..	
OPMS: 61		To ensure that the community has access to functional public amenities	Upgrade of Public Ablution facility at OK Mall by target date	Ward 19	NEW	NEW	Upgrade of Public Ablution facility at OK Mall completed by 30 June 2019	TARGET MET Completion certificate issued by Sivest Consultants dated 06/06/2019.	N/A	
OPMS: 62		To ensure that the community has access to functional public amenities	Upgrade of Theunissen Road Park - Phase 1 by target date..	Ward 19	NEW	NEW	Year 1 - Upgrade of Theunissen Road Park - Phase 1 - completed by 30 June 2019	TARGET NOT MET Upgrade of Theunissen Road Park - Phase 1 was not completed	Phase 1 carried over to the new financial year. SCM processes to be more vigorously expedited. Commencement of the project will start in Q1 of 19/20 financial year as the consultant has been appointed and the site handover has been done	


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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT										
OPMS: 63	ES/63/2017 ES/64/2017 ES/65/2017 ES/66/2017 ES/67/2017 ES/68/2017 ES/69/2017	To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	% expenditure on capital budget for the installation of new street lights in 7 Clusters	All Wards	100% expenditure on capital budget for the installation of new street lights in 7 Clusters by 30 June 2018	Target not met.	90% (10% retention) expenditure on capital budget for the installation of new street lights in 7 Clusters by 30 June 2019	TARGET NOT MET 57% spent, R2 810 229.38 actual expenditure	Fast track SCM processes	
OPMS: 63a		To provide an acceptable level of lighting to all major roads, public open spaces and sports fields	% expenditure on capital budget for the installation of Roll-Over street lights in 7 Clusters	All Wards	% expenditure on capital budget for the installation of Roll-Over street lights in 7 Clusters	Target not met 0% spent	90% (10% retention) expenditure on capital budget for the installation of new street lights in 7 Clusters by 30 June 2018	TARGET NOT MET 57% spent R2 810 229.38 actual expenditure	This project will be completed in mid Q2 of 2019/2020	
OPMS: 64		To improve expenditure on Municipal Infrastructure Grant (MIG) allocation	% expenditure on implementation of MIG infrastructure projects within budget	All Wards	100 % expenditure on implementation of MIG infrastructure projects by 30 June 2018	Target met 100% expenditure on implementation of MIG infrastructure projects	100 % expenditure on implementation of MIG infrastructure projects within budget by 30 June 2019	TARGET MET 100% expenditure on implementation of MIG infrastructure projects	N/A	
OPMS: 65		To improve expenditure on Capital Budget	The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan (NKPI)		100% expenditure on capital budget by 30 June 2018	Target not met 66.9% expenditure on capital budget	90% expenditure on capital budget by 30 June 2019	TARGET NOT MET 58% expenditure with accruals as at the 30th June 2019	Restructuring of SCM Bid Committees has taken place on the 1st of August 2019. the most practical time to affect the changes would be the new financial year as various tenders were being considered by the various committees and it would have resulted in conflicted positions. The old committees were advised to complete their work by 31 July and new committees then took effect from 01 August 2019.	






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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 66		To contribute to a safe and secure environment	Number of Traffic fines issued for traffic offences		18 000 traffic fines issued for traffic offences by 30 June 2018	Target exceeded 31 180 traffic fines issued for traffic offences	18 000 traffic fines issued for traffic offences by 30 June 2019	TARGET NOT MET 14 709 traffic fines issued	Camera speed prosecution has been stopped on instruction of the Dept of Public Prosecution (DPP). This has affected the number of traffic fines issued. The BU will be engaging with the DPP. Camera speed prosecution will continue when we have complied with the requirements of the DPP.	
OPMS: 66a		To ensure that the revenue of the municipality is collected and accounted for.	Rand value revenue collected from outstanding fines and other traffic offences	All Wards	ADJUSTED TARGET: R2 750 000 revenue collected from outstanding fines and other traffic offences by 30 June 2018	Target not met R1 664 940 revenue collected from outstanding fines and other traffic offences	ADJUSTED TARGET: R2 750 000 revenue collected from outstanding fines and other traffic offences by 30 June 2018	TARGET NOT MET R2,030,415.00	A specialised unit has been formed that will be tasked with the responsibility of the execution of warrants of arrest and revenue enhancement programs, in order to ensure that we do meet the target	
OPMS: 67		To ensure compliance with financial management and legislative requirements	Number of Unauthorised Irregular Fruitless & Wasteful expenditure (UIFW) registers submitted to, Cogta, Council and AG.	All Wards	4 UIFW register submitted to Cogta, Council and AG by 30 June 2018	Target exceeded. 10 reports were submitted to Cogta, Council and AG	4 UIFW register submitted to Cogta, Council and AG by 30 June 2019	TARGET EXCEEDED 10 reports were submitted to Cogta, Council and AG	N/A	
OPMS: 67a		To ensure compliance with financial management and legislative requirements	% Reduction of irregular expenditure when compared to previous financial year.	Internal	60 % reduction of irregular expenditure as at 30 June 2018 when compared to 30 June 2017	Target not met 2016/17 irregular expenditure 247 816 089.86 2017/18 – irregular expenditure 127 689 576.28 48.47% reduction	60 % reduction of irregular expenditure as at 30 June 2019 when compared to 30 June 2018	TARGET NOT MET Irregular expenditure reduced by 8.2% from the previous financial year	Business Units to compile credible procurement plans which must be adhered to at all times and proper SCM processes followed and adhered to. Quarterly reports were submitted to Manco and Monthly reports were submitted to Finance Portfolio Committee reporting on these issues.	
OPMS: 68		To ensure that the revenue of the municipality is collected and accounted for	% of Revenue collected from Electricity, Rates and Refuse	All Wards	Electricity - 90% Rates - 90% Refuse - 90%	Target exceeded Electricity - 99.21 % Rates - 96.61% Refuse - 95.18%	Revenue collected on: Electricity - 90% Rates - 90% Refuse - 90% by 30 June 2019	TARGET EXCEEDED Electricity - 98.99% Rates - 94.96% Refuse - 94.04%	N/A	






2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 68a3		To ensure that the revenue of the municipality is collected and accounted for by improving Credit Control and Debt Collection processes	% reduction of outstanding debtors	All Wards	2% reduction in debt > 60 days as at 30 June 2018 when compared to 30 June 2017	Target exceeded. 2.62% reduction in debt.	2% reduction in debt > 60 days as at 30 June 2018 when compared to 30 June 2017	TARGET NOT MET. 8.92% increase in debt.	<ol style="list-style-type: none"> 1. A report on the implementation of strategies to deal with debt collection was submitted to Exco on the 19/09/2018 and to Council on the 27/09/2018 (C1453). 2. There is an on-going strategy to have debtors' statements e-mailed and completion of debit order forms. 3. On the 4th October 2018 Council approved the implementation of the debtor's incentive (C1579) which is effective from the 1st November 2018 until the 26th June 2019. The incentive scheme is primarily aimed to encourage to arrear debtors to settle their capital debt in respect of all consumer and sundry debt account that are linked into the debtor name, so that they would qualify for the outstanding interest and admin charges to be written off. 4. The 4 vacant Accountant positions have been filled and the incumbents have assumed their duties from the 1/07/2019, however the budget for Prepaid and refuse Controller positions is requested to be assigned in the vacant position for Call Centre Assistants and Controller. 5. Bulk final notice were sent in June 2019, followed with telephonic follow ups, therefore all debtors who did not responded shall be handed over for collection. 6. Vigorous legal action shall commence at the end of June 2019, to all arrear debtors that did not participated in the DIS. 7. The MM to expedite outstanding issues relating to matters marked out to his office, the legal department, EDP, ED: Community Services Department. If these things are discounted from the debtors balance, then debt greater than 60 days would have decreased by 2.85% rather than show an increase of 10.92%. 	






2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 69		To ensure municipal budget complies with MFMA and Treasury regulations	Number of Budget implementation reports submitted to Council on budget spent.	All Wards	3 Budget implementation reports submitted to Council on budget spent by 30 June 2018.	Target met. 3 budget implementation reports were submitted to Council prior to the respective deadlines as indicated in the quarters.	3 Budget implementation reports submitted to Council on budget spent by 30 June 2019.	TARGET MET 4 reports were submitted to Council with regards to budget spent prior to 30 June 2019	N/A	
OPMS: 69a		To ensure municipal budget complies with MFMA and Treasury regulations	Date of submission of the MFMA S72 report	Internal	Submission of MFMA S72 report to Council on 31 January 2018.	Target met. 1 report was submitted to Council on the 31 January 2018.	Submission of MFMA S72 report to Council on 31 January 2019.	TARGET MET The MFMA S72 report was submitted to Council on the 23 January 2019.	N/A	
OPMS: 69b		To ensure municipal budget complies with MFMA and Treasury regulations	Date of approval of the 2018/2019 Annual Budget	Internal	Annual Budget Approved on 29 June 2018.	Target met The final budget was submitted to Council on the 31 May 2018.	Annual Budget Approved by 30 June 2019.	TARGET MET The 2019/2020 Annual Budget was submitted to Council on the 29 May 2019.	N/A	
OPMS: 70		To ensure proper Asset Management in line with prevailing accounting standards	Date completion of the reconciliation of Fixed Asset Register to GL	Internal	Reconciliation of prior year Fixed Asset Register to GL completed on 31 August 2017	Target exceeded reconciliation was completed on the 5th August 2017.	Reconciliation of prior year Fixed Asset Register to General Ledger (GL) completed on 31 August 2018	TARGET MET Reconciliation was completed on the 06th August 2018,	N/A	
OPMS: 70a		To ensure proper Asset Management in line with prevailing accounting standards	Date submission of Annual Asset Plan to AMC.	Internal	Submission of Annual Asset Plan on 30 September 2017	Target met An item was submitted to AMC on the 26th September 2017.	Submission of Annual Asset Plan by 30 September 2018	TARGET MET 2 reports were submitted to the AMC on the Annual Asset Plan as follows: 02 July 2018 and 17 September 2018 respectively.	N/A	
OPMS: 70b		To ensure proper Asset Management in line with prevailing accounting standards	Number of status reports on Annual Asset Plan submitted to AMC	Internal	3 Status Reports of the Annual Asset Plan submitted to AMC by 29 June 2018	Target exceeded. 6 status reports were submitted to AMC as follows: 04 December 2018, 19 February 2018, 19 March 2018, 16 April 2018, 21 May 2018 and 25 June 2018.	3 Status Reports of the Annual Asset Plan submitted to AMC by 30 June 2019	TARGET EXCEEDED. 5 status reports were submitted to the AMC. 3 Status reports were submitted to the AMC on the 15 October 2018, 03 December 2018 and 3 March 2019, however due to no quorum the meetings did not take place. 3 reports were submitted on the 08th April 2019, 06 May 2019 and 10 June 2019 whereby the meetings did take place.	N/A	





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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 71		To improve expenditure on Capital Budget	Date of Manco approval of 2019/2020 procurement plan	Internal	2018/2019 Procurement plan approved by Manco by 29 June 2018.	Target not met.	2019/2020 Procurement plan approved by Manco by 28 June 2019.	TARGET MET 1 report on the 2019/2020 procurement plan was submitted to Manco on the 20 May 2019.	N/A	
OPMS: 71a		To improve expenditure on Capital Budget	Number of implementation reports to Manco on the status of the 2018/2019 approved Procurement Plan	Internal	4 implementation reports to Manco on the status of the 2017/2018 approved Procurement Plan	Target exceeded. 6 reports submitted to Manco	4 implementation reports to Manco on the status of the 2018/2019 approved Procurement Plan by 30 June 2019	TARGET EXCEEDED 8 reports were submitted to Manco as follows: Q1 - 1 report submitted on 23 July 2019, Q2 - 1 report submitted on 19 November 2018, Q3 - 3 reports were submitted on the 11th February 2019, Q4 - 3 reports were submitted on the 1 April 2019 and 13 May 2019.	N/A	
OPMS: 71b		To improve expenditure on Capital Budget	Number of reports submitted to Manco on the turnaround time to finalise formal tender awards	Internal	4 analysis reports submitted to Manco on the turnaround time to finalise formal tender awards by 29 June 2018.	Target met. 4 analysis reports submitted to Manco on the turnaround time to finalise formal tender.	4 analysis reports submitted to Manco by June 2019 on the turnaround time to finalise formal tender awards.	TARGET MET 4 reports were submitted to Manco by the 24 June 2019 as follows: 6th August 2018, 26 November 2018, 31 March 2019 and 24th June 2019.	N/A	
OPMS: 72		To provide access to basic municipal services to all citizens	The percentage of households earning less than R3 500 per month with access to free basic electricity (NKPI)	Internal	100% access to consumers registered on the indigent register by 30 June 2018	Target met. 100% access to consumers registered on the indigent register	100% access to consumers registered on the indigent register by 30 June 2019	TARGET MET 100% access to consumers registered on the indigent register. The actual number of indigent applications as at 30 June 2019 is 11950.	N/A	
OPMS: 72a		To ensure financial viability of the municipality	Financial Management and viability expressed in the ff ratios: (NKPI) Ratio of Current Assets: Current Liabilities	Internal	1.5:1	Target exceeded 2.01:1	1.5:1	TARGET EXCEEDED 2.45:1	N/A	






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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 72b		To ensure financial viability of the municipality	Ratio of Outstanding service debtors to annual revenue actually received for services (i.e. electricity and refuse)	Internal	Outstanding service debtors to revenue not greater than 0.5:1	Target exceeded: Electricity - 0.057:1 Refuse 0.272:1 Overall ratio - 0.074:1	Outstanding service debtors to revenue not greater than 0.5:1	TARGET EXCEEDED Overall ratio - 0.09	N/A	
OPMS: 72c		To ensure financial viability of the municipality	Debt coverage ratio. Total operating revenue received - operating grants/ debt service payments	Internal	1.5:1	Target exceeded 41.78:1	15:01	TARGET EXCEEDED 45.18:1	N/A	
OPMS: 72d		To ensure financial viability of the municipality	Ratio: Total operating revenue divided by debt service payments (i.e. interest plus redemption).	Internal	1.5:1	Target exceeded 46.26:1	15:01	TARGET EXCEEDED 50.32:1	N/A	
OPMS: 73		To ensure that the revenue of the municipality is collected and accounted for.	Number of sets of minutes of the Revenue Debt Steering Committee (RDSC) submitted to the Finance Portfolio Committee and or EXCO on a quarterly basis to update the Council on progress on Revenue enhancement programmes by target date	Internal	NEW	NEW	4 sets of minutes of the Revenue Debt Steering Committee (RDSC) submitted to the Finance Portfolio Committee and or EXCO on a quarterly basis to update the Council on progress on Revenue enhancement programmes by 30 June 2019.	TARGET EXCEEDED 7 sets of minutes were submitted	N/A	
OPMS: 74		To ensure that at least of 45% of procurement is awarded to designated sectors i.e. Youth, Women and disabled.	Number of reports on the % of procurement awarded to designated sectors i.e. Youth, Women and disabled.	Internal	4 reports to MANCO on the 45% of procurement awarded to designated sectors i.e. Youth, Women and disabled by 30 June 2018	Target met. 4 reports were submitted to Manco prior to 29 June 2018.	4 reports to MANCO on the 45% of procurement awarded to designated sectors i.e. Youth, Women and disabled by the 28 June 2019	TARGET MET 4 reports were submitted to Manco CQ's - Black female = 14% - Youth = 11% - Disabled = 11%. Tender committees: Black female = 19.02% Youth = 9.63% Disabled = 0.93%.	N/A	




2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 5: FINANCIAL VIABILITY AND MANAGEMENT ...continued										
OPMS: 75		To ensure that the revenue of the municipality is collected and accounted for.	Number of reports submitted to Council and MPAC on investigation and prevention of irregular, fruitless and wasteful expenditure	Internal	4 reports submitted to Council and MPAC on investigation and prevention of irregular, fruitless and wasteful expenditure by 29 June 2018 pertaining to the Finance Business Unit	Target exceeded. 11 reports were submitted to Council and MPAC for 2017/2018.	4 reports submitted to Council and MPAC by 28 June 2019 on the investigation and prevention of irregular, fruitless and wasteful expenditure by 30 June 2019	TARGET EXCEEDED 12 reports were submitted to Council.	N/A	
OPMS: 76		To ensure that the revenue of the municipality is collected and accounted for.	Turnaround time to pay creditors within legislated timeframe	All wards	Creditors paid within 30 days from date of receiving undisputed invoice	Target met All invoices without queries were paid within 30 days.	Creditors paid within 30 days from date of receiving undisputed invoice by 30 June 2019	TARGET NOT MET	All creditors were not paid within the stipulated period. Nyeleti Consulting was paid over a period of 30 days due to there being insufficient funds. Budget section to ensure that enough budget is available for the planned projects in the new financial year.	
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES										
OPMS: 77		Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA applications (Rezoning/ subdivision/ Scheme Amendments) processed within stipulated time	All wards	75% of SPLUMA applications processed within 90 days, from the date of advert	Target exceeded, average of 100 % of SPLUMA applications processed within 90 days of advert	80% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2019	TARGET MET Target met, 80% of SPLUMA applications processed within 90 days from the closing date of advert	N/A	
OPMS: 77a		Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA Record of Decision issued within 21 days after decision has been taken	All wards	70% of SPLUMA ROD issued within 21 days after MPT decision taken	Target exceeded, average of 80 % of SPLUMA ROD issued within 21 days after MPT decision	75% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2019	TARGET EXCEEDED 100% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2019		





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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 77		Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA applications (Rezoning/ subdivision/ Scheme Amendments) processed within stipulated time	All wards	75% of SPLUMA applications processed within 90 days, from the date of advert	Target exceeded, average of 100 % of SPLUMA applications processed within 90 days of advert	80% of SPLUMA applications processed within 90 days from the closing date of advert by 30 June 2019	TARGET MET Target met, 80% of SPLUMA applications processed within 90 days from the closing date of advert	N/A	
OPMS: 77a		Developing and sustaining the spatial, natural and built environment	Percentage of SPLUMA Record of Decision issued within 21 days after decision has been taken	All wards	70% of SPLUMA ROD issued within 21 days after MPT decision taken	Target exceeded, average of 80 % of SPLUMA ROD issued within 21 days after MPT decision	75% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2019	TARGET EXCEEDED 100% of SPLUMA ROD issued within 21 days after MPT decision taken by 30 June 2019	N/A	
OPMS: 77b		Developing and sustaining the spatial, natural and built environment	Percentage of consent applications (relaxations, special consent, SDP) processed within 60 days from closing date of advert	All wards	75% of consent applications processed within 60 days, from the date of advert	Target exceeded, average of 100% consent applications processed within 60 days, from the date of advert	80% of consent applications processed within 60 days, from the closing date of advert by 30 June 2019	TARGET EXCEEDED 89% of consent applications processed within 60 days, from closing date of advert	N/A	
OPMS: 78		Developing and sustaining the spatial, natural and built environment	Percentage of building plans less than 500m ² processed within 30 days	All wards	75% of building plans less than 500m ² processed within 30 days	Target exceeded, average of 93% of building plans less than 500m ² processed with 30 days	80% of building plans less than 500m ² processed within 30 days by 30 Sept 2018	TARGET EXCEEDED 88% of building plans less than 500m ² processed with 30 days	N/A	
OPMS: 78a		Developing and sustaining the spatial, natural and built environment	Percentage of building plans more than 500m ² processed within 60 days	All wards	70% of building plans more than 500m ² processed within 60 days	Target exceeded, average of 99% of building plans more than 500m ² processed with 60 days ,	75% of building plans more than 500m ² processed within 60 days by 30 June 2019	TARGET MET 75% of building plans more than 500m ² processed with 60 days	N/A	







2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 79		Developing and sustaining the spatial, natural and built environment	Functionality of Application Tracking System (ATS) by testing functional modules by target date i.e. building plans, town planning, outdoor advertising	All Wards outside the old town planning schemes	NEW	NEW	12 quarterly reports submitted for each module by 30 June 2019	TARGET NOT MET 2 quarterly reports submitted for each module	The user department (EDP) has instructed the relevant service provider to re-configure the server for the ATS and this should be implemented by end of quarter 1. Department engaging IT for the server to be hosted externally or duplicated so as to minimise cyber-attacks and/or risk of not able to retrieve information.	
OPMS: 80		Developing and sustaining the spatial, natural and built environment	Functionality of Electronic Document and Records Management System (EDRMS) through scanning of applications by target date	All wards	EDMRS and ATS functional by 30 June 2018	Target not met	260 Building Plan applications scanned through EDRMS by 30 June 2019	TARGET NOT MET 173 building plan applications scanned. 1. 41 applications scanned in quarter. 2. 55 applications scanned in quarter 2. 3. 0 applications scanned in quarter 3. 4. 77 applications scanned in quarter 4.	Department engaging IT for the server to be hosted externally or duplicated so as to minimise cyber-attacks and/or risk of not able to retrieve information.	
OPMS: 80a		Developing and sustaining the spatial, natural and built environment	Number of development planning bylaws blitz (joint planned enforcement operations) conducted	All wards	4 Development Planning Bylaws blitz conducted by 30 June 2018	Target met, 4 Development Planning Bylaws blitz conducted by 30 June 2018	4 Development Planning Bylaws blitz conducted by 30 June 2019	TARGET MET 4 bylaw blitz conducted. 1. 14 Sep 2018 in the CBD, Ntshawini & Industrial Area. 2. 30 Nov 2018 at KwaDukuza CBD, Industrial area, Indian Village and Stanger Manor. 3. 15 March 2019 in the KwaDukuza CBD, Glenhills, Industrial Area 4. 21 June 2019 of CBD, Sunny Park, Stanger Manor and Glenhills	N/A	

2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 80b		Developing and sustaining the spatial, natural and built environment	Number of gated estates visited to undertake enforcement operations	All wards	4 Gated Estates visited to undertake enforcement operations by 30 June 2018	Target exceeded, 5 Gated Estates visited to undertake enforcement operations by 30 June 2018	4 Gated Estates visited to undertake enforcement operations by 30 June 2019	TARGET MET 4 gated estates visited. 1. 13 Sep 2018 at Elaleni & Tanglewood Gated Estate, 2. 29 Nov 2018 at Seraward Estate. 3. 14 March 2019 at Seaward Gated Estate). 4. 19 June 2019 Zimbali Coastal Resort, Lazuli Estate	N/A	
OPMS: 80c		Developing and sustaining the spatial, natural and built environment	New outdoor advertising products introduced	All wards	4 new outdoor advertising products introduced by 30 June 2018	Target met 4 new products introduced (2 x electronic billboards, 2 x rotating billboards)	New outdoor advertising products introduced by 30 June 2019	TARGET MET New product introduced include additional sites for digital outdoor advertising signage. Service providers were requested to submit proposals and these have since been approved (i.e. 2 sites) and infrastructure on new sites has been installed and revenue being generated.	N/A	
OPMS: 81		Developing and sustaining the spatial, natural and built environment	Number of bylaws reviewed and adopted by Council	All wards	2 bylaws reviewed, adopted and gazetted by 30 June 2018	Target not met 1 Bylaw Adopted and Gazetted (Outdoor Advertisement)	2 bylaws reviewed, adopted and gazetted by 30 June 2019	TARGET MET 2 Bylaws reviewed and gazetted. 1. Spluma Bylaw reviewed and gazetted on the 27 September 2018 and 2. Buildings bylaw gazetted 13 June 2019.	N/A	
OPMS: 82		Developing and sustaining the spatial, natural and built environment	Number of Environmental Awareness Programmes conducted	All wards	5 Environmental Management awareness programme held by 30 June 2018	Target exceeded, 9 environmental awareness programmes completed	4 Environmental Management Community awareness programmes held by 30 June 2019	TARGET EXCEEDED 6 Environmental Management awareness programmes done	N/A	
OPMS: 82a		Developing and sustaining the spatial, natural and built environment	Number of schools participating on environmental management education programme	All wards	12 new schools participating on environmental management education programme by 30 June 2018	Target exceeded, 16 new schools participated in environmental programmes	12 schools participating on environmental management education programme by 30 June 2019	TARGET EXCEEDED 34 schools participated in the environmental KDM school-based programme. 1. 6 in quarter 1. 2. 12 in quarter 2. 3. 6 in quarter 3. 4. 10 in quarter 4	N/A	





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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 82b		Developing and sustaining the spatial, natural and built environment	Number of environmental compliance inspections organised with sector departments	All wards	2 environmental compliance inspections undertaken with sector departments by 30 June 2018	Target met, 2 environmental compliance inspections undertaken with sector departments by 30 June 2018	2 environmental compliance inspections undertaken with sector departments by 30 June 2019	TARGET EXCEEDED 5 environmental compliance inspections undertaken.	N/A	
OPMS: 83		Promote and support Low Carbon Development Path	Number of climate change mitigation/adaptation projects implemented	All wards	2 Climate change Mitigation Projects implemented by 30 June 2018	Target met, 2 climate change projects implemented	1 Climate change Mitigation/ Adaptation Projects implemented by 30 June 2019	TARGET MET	N/A	
OPMS: 83a	EDP/54/2017 EDP/56/2017	Promote and support Low Carbon Development Path	Number of progress report submitted to Climate Change Registry (ICLEI-Reporting Platform)	All wards	2 Reports submitted to Climate Change Carbon Registry by 30 June 2018	Target met, 2 reports submitted.	3 Reports submitted to Climate Change Carbon Registry by 30 June 2019	TARGET EXCEEDED 4 reports submitted to climate change registry.	N/A	
OPMS: 83b		Promote and support Low Carbon Development Path	Number of climate change project funding proposal submitted to funders by 30 June 2019	All wards	1 Climate Change Funding proposal submitted to funders by 30 June 2018	Target exceeded, 2 Climate Change Funding proposal submitted to funders by 30 June 2018	1 Climate Change Funding proposal submitted to funders by 30 June 2019	TARGET EXCEEDED 2 Climate Change Funding proposal submitted to funders by 31 March 2019 (Urban LEDS Project and PV Training)	N/A	
OPMS: 84	EDP/58/2017	To contribute to a safe and secure environment	Response time to disaster cases reported	All wards	Disaster cases responded to within 24hrs of call log by 30 June 2018	Target met - 306 cases responded to within 24 hours of call log cases responded to within 24 hours	Disaster cases responded to within 24hrs of call log by 30 June 2019	TARGET MET 150 disaster cases responded to within 24hrs of call log	N/A	
OPMS: 85	EDP/48/2017	To contribute to a safe and secure environment	Number of inspections conducted in areas identified as high-risk occupancies and sensitive land use	All wards	48 inspections conducted for high risk occupancies and sensitive land use by 30 June 2018	Target exceeded Target exceeded - 53 inspections conducted	48 inspections conducted for high risk occupancies and sensitive land use by 30 June 2019	TARGET EXCEEDED 51 inspections conducted	N/A	






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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 86	MS/35/2017	To contribute to a safe and secure environment	Number of marine reports submitted to MS portfolio	All wards	NEW	NEW	4 Number of Marine safety reports submitted to MS portfolio by 30 June 2019	TARGET MET 4 Marine Safety reports submitted	N/A	
OPMS: 87	MS/34/2017	To contribute to the incidents related to fire	Number of schools visited for fire safety awareness campaign	Wards 7, 8, 11, 21, 22, 23, 10, 18, 15, 13, 24, 25, 16 and 27	8 wards visited for fire safety awareness campaign by 30 June 2018	Target not met 4 wards visited: Malende (Ward 09), Lindelani (Ward 05), Glenhills (Ward 13), Shakashead (Ward 04)	8 schools visited for fire safety awareness campaign by 30 June 2019	TARGET EXCEEDED 16 schools visited: Darnall Primary 03/06, Chief Albert Luthuli Secondary 31/05, Hulet Combined 29/05, Shekembula Secondary 29/05, Circle Pre-Primary 21/05, Dolphin Coast Pre-Primary 15/04, R.A. Padayachee Primary 04/04, Stanger Training Centre on 06/03, Dawnview Primary 15/02, Tshelabantu Primary 31/10, Bongimfundo Primary 12/10, Enkukwini Primary 01/08, North Coast Primary 08/08, Ashville Primary 24/08, Gledhow Primary 14/09 and Funizwe Combined Primary 27/09	N/A	
OPMS: 88	MS/28/2017	To contribute to a safe and secure environment.	Number of schools visited for safety campaigns	All wards	24 schools visited for safety campaigns by 30 June 2018	Target significantly exceeded 41 schools visited for safety campaigns	16 schools visited for safety campaigns by 30 June 2019	TARGET EXCEEDED 26 schools visited: Radha Roopsingh Primary 31/05, Darnall Lee Primary 12/04, Hulsug Primary 12/04, Bongimfundo Primary 12/04, Stanger Manor Secondary 11/04, Harry Bodasing Primary 28/02, Thembeni Primary 26/02, Melville Primary 05/02, Aldinville Senior Primary 18/01, Iziphazethu Primary 05/11, Stanger Training Centre, Mbozama Primary, Esenembe Primary, Ziphazethu Primary, Nyankeni Primary, Nkukhwini Primary, Etete Primary, R.A. Padayachee Primary & Stanger Manor Primary on 31/10, Gledhow Primary 14/09, Parukabad Primary 06/08, Enkukwini Primary 31/07, Dr B.W. Vilakazi Primary 30/07, M.L. Sultan Secondary, Tshelenkosi Secondary & Stanger Secondary School on 11/10.	N/A	

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OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 89	MS/ 29/2017	To contribute to a safe and secure environment.	Number of wards visited for Social Crime Prevention programme	All wards	8 wards visited for Social Crime Prevention programme by 30 June 2018	Target significantly exceeded 33 wards visited for Social Crime Prevention	12 wards visited for Social Crime Prevention programme by 30 June 2019	TARGET EXCEEDED - 15 wards visited: Wards: 5, 19, 16, 17, 23, 11, 12, 24, 25, 26, 14, 18, 7, 1 & 2	N/A	
OPMS: 90	MS/ 30/2017	To promote sports within local communities	Number of beach festival events conducted	All wards	NEW	NEW	3 beach festival events conducted by 30 June 2018	TARGET NOT MET - 1 beach festival took place on 26th -27th December 2018 at KwaDukuza Blythedale Beach	The target was supposed to be adjusted during midterm evaluation as only one festival was budgeted for during 2018/19. This was erroneously not affected and only 3rd quarter but target has been adjusted for 2019/20 year.	
OPMS: 91		To promote sports within local communities	Number of cluster games conducted for all wards	All wards	NEW	NEW	6 cluster games conducted for all wards by 30 June 2019	TARGET NOT MET 4 cluster games facilitated	Inter wards games form part of the SALGA Games 2018/19 Programme, local and district participation was put on hold following district executive decision	
OPMS: 91a		To promote sports within local communities	Number of participants participating in inter municipal championship games	All wards	NEW	NEW	350 participants participating in inter municipal championship games by 31 October 2018.	TARGET NOT MET 0 participants	Inter Municipality games form part of the SALGA Games 2018/19 Programme, local and district participation was put on hold following district executive decision	
OPMS: 91b		To promote sports within local communities	Number of Federation-led programmes supported		NEW	NEW	4 Federation led programmes supported by 30 June 2019	TARGET MET 4 Federation programmes conducted.	N/A	

2018/2019 ANNUAL PERFORMANCE REPORT ...continued

OPMS NO	IDP REF NO.	STRATEGIC OBJECTIVE	KEY PERFORMANCE INDICATOR	WARD	2017/2018 TARGET	2017/2018 ACTUAL ACHIEVED	2018/2019 TARGET	2018/2019 ACTUAL ACHIEVED	MEASURES TO IMPROVE PERFORMANCE	STATUS
DEVELOPMENT OBJECTIVE 6: SPATIAL PLANNING; ENVIRONMENTAL MANAGEMENT & SOCIAL DEVELOPMENT SERVICES ...continued										
OPMS: 91c		To promote sports within local communities	Number of Vulnerable Groups Sports activities supported		NEW	NEW	2 Vulnerable Group Sports activities supported by 30 June 2019	TARGET MET 2 Vulnerable groups programme conducted.	N/A	
OPMS: 92		To provide educational guidance to local citizens	Number of career guidance sessions facilitated for the youth.		NEW	NEW	18 Career guidance sessions facilitated for the youth by 30 June 2019	TARGET MET 18 Career guidance programmes achieved in quarter 4.	N/A	
OPMS: 93		To provide career and job searching skills to the local unemployed	Number of unemployed graduates enlisted on our database		NEW	NEW	100 unemployed graduates enlisted on our database by 30 June 2019	TARGET MET 100 unemployed graduates enlisted to KDM data base	N/A	
OPMS: 94		To provide career and job searching skills to the local unemployed	Number of job preparedness programmes conducted		NEW	NEW	6 job preparedness programmes conducted by 30 June 2018	TARGET NOT MET 4 programmes conducted	two (2) additional career and job preparedness interventions conducted 1. 15/04/2019- Lethithemba secondary school 2. 21/06/2019 Hesto Harnesses	
OPMS: 95		To promote education of vulnerable children's/ youth	Number of children provided with school uniform in different wards		NEW	NEW	250 children provided with school uniform in different wards by 30 June 2019	TARGET EXCEEDED 253 children provided with school uniform	N/A	
OPMS: 96		To promote education of vulnerable children's/ youth	Number of youth benefitting in the bursary programme		NEW	NEW	100 youth benefitting in the bursary programme	TARGET NOT MET 71 people in the youth category issued with bursaries.	Council approved budget that catered to assist 71 learners from KwaDukuza following national free education government intervention. Budget dictates the number of assisted learners.	

CONCLUSION

The Overall performance for 2018/2019 is 63%.

- ▶ 26% of measures have exceeded the year-end target
- ▶ 37% of measures were fully achieved
- ▶ 37% of measures have not been met.

When taking a broad view of the report, it is evident that the municipal performance has increased slightly when compared to the previous financial year by 5% and there was a significant decrease in Basic Service Delivery to 32% from the 47% achieved in the previous financial year. The low delivery in Basic Service Delivery is mainly caused by unreliable POEs submitted by the Business Units which do not meet the standard required by the AG, thus leading to most of their projects being unmet. In also trying to deal with the delays experienced in SCM, resulting in most projects being unable to be completed, the Accounting Officer has taken a conscious decision to increase the number of Evaluation Committees between the core Business Units, being Electrical Services, Civil and Human Settlements. There will be 2 Technical and Non-Technical Committees to service each Business Unit which will facilitate the timeous completion of SCM process as these Committee sits every week to look at the tenders.

Another way to deal with issues relating to SCM processes, is with the cascading of PMS to staff below Section 56, an SCM operational scorecard will be developed that will be monitored closely by the CFO and reported on a quarterly basis to all structures to ensure that

a turn- around strategy is implemented to deal with the bottlenecks in SCM processes. An independent verification of reports submitted to the Finance Portfolio Committee will also form part of the Finance reports that will be submitted quarterly to PM&E as part of their Portfolio of Evidence (POE).

One of the burning issues is also the increase in energy losses and the Municipality has established a Debt Reduction Steering Committee to intensify measures to reduce energy losses by conducting inspections on bigger consumers every Thursdays on a monthly basis. Consultants will be engaged to audit MD meters including other mechanisms that will be identified by the Council approved Revenue and Debt Steering Committee (RDSC).

In trying to deal with high levels of overtime, the council approved the implementation of a shift system as well as the reinforcement of overtime procedures and controls through the development of standard operating procedures so that there is cost-effective management of overtime. Irregular expenditure will also be reduced in the next financial year as all the Turn Key Projects are coming to an end which was the main cost driver of irregular expenditure. Strict adherence to the Procurement Plans will also facilitate speedy delivery of the projects on the ground and this will be reported monthly and quarterly to Manco and the Finance Portfolio Committee.

On quarterly basis, the Section 57 Managers are required to develop an action plan for all the issues raised by the Performance Evaluation Committee to ensure that all issues raised by Internal Audit and the Performance Evaluation Committee are addressed.

04

Organisational Development Performance Annual Performance Report



4.1 INSTITUTIONAL TRANSFORMATION AND DEVELOPMENT

Corporate Services business unit has, during the year under review (2018-19), endeavoured its utmost best to outstrip all the targets as contained in the performance plan as follows:

- a) Reviewed and adopted council policy as per the 2018-19 policy register.
- b) Appointed 20 interns and 21 in-service learners.
- c) Finalized 65% of the disciplinary cases reported to HR.
- d) Kept the staff turnover at 1.8% (18 out of 1003)
- e) Kept the staff vacancy rate at 6%
- f) Regularly submitted the KDM land register to council for oversight.
- g) Provided the support for the regular sittings of council and its structures.
- h) Implemented the 2016 KDM lekgotla action plan for Corporate Services.
- i) Council appointed the Director for IT who was tasked to develop and implement the KDM IT comprehensive turnaround strategy (both inward and outward on its outlook).
- j) Optimally participated in the IGR platforms and engagements.

CHALLENGE	INTERVENTION/S
1. Less appointment of women.	1. The KDM selection committees shall in the 2019-20 year ensure that out of all vacancies available per business unit, 60% of those shall be filled by women and HR shall advise the Municipal Manager regularly prior to approving of appointments per interview conducted.
2. Lack of training the targeted staff audience	2. In the ensuing financial years staff training shall be more qualitative and outcomes based in line with quarterly reports that will go to HRD subcommittee or LPA/HR portfolio committee.

Table 35: Challenges and Corrective Actions

PERFORMANCE MANAGEMENT SYSTEMS.

Performance management is a strategic approach to management, which equips leaders, managers, workers and stakeholders at different levels with a set of tools and techniques to regularly plan, continuously monitor, periodically measure and review performance of the organisation in terms of indicators and targets for efficiency, effectiveness and impact.

A Performance Management System (PMS) entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement review, reporting and improvement will be conducted, organised and managed, including determining the different role players.

This policy document guides the development of a PMS for the KwaDukuza Local Municipality (KDM). It also forms the basis of aligning the Integrated Development Plan (IDP) with the operational business plans, performance areas and performance indicators of the various departments of KDM. One of the hallmarks of leading-edge local governments has been the successful application of performance measurement to gain insight into, and make judgements about, the municipalities and the effectiveness and efficiency of its programmes, processes, and people. However, leading municipalities do not stop at the gathering and analysis of performance data. These municipalities use performance measurement to drive improvements and successfully translate vision and strategies into action. In other words, they use performance measurement processes for managing their municipalities. It is the intention of this policy framework to create a platform and infrastructure to manage the KDM as a leading-edge municipality in the Province of KwaZulu Natal.

PERFORMANCE MONITORING & REVIEWS

In order to fulfil the objective of ensuring accountability, reviews are conducted according to certain lines of accountability:

RESPONSIBILITY	FREQUENCY	NATURE OF REVIEW
Supervisors	Monthly	Review performance of individual or groups of employees reporting directly to them, depending on the type of employee PMS that is adopted.
Line/ Functional Managers	Monthly	Review performance of their respective areas regularly (monthly). The reviews should at least cover all the organisational priorities respective to these functions.
Standing/ Portfolio Committees	Monthly	Manage performance of functions respective to their portfolios. They should at least review performance of organisational priorities that lie within their portfolio monthly, while maintaining a strategic role.
Admin Officers	Weekly/ Monthly/ Quarterly	The Admin Officers in each section has a responsibility of managing indicator information files as per the municipality's monitoring system. They are also responsible for collating this information in preparation for submission of performance reports to departmental heads by line managers. This responsibility is carried out on a weekly basis
Executive Management (Municipal Manager and his Management Team)	Monthly/ Quarterly	<ul style="list-style-type: none"> ▶ Review performance of the municipality monthly, prior to and more often than the Mayoral Committee: ▶ Review performance more often, in order to intervene promptly on operational matters where poor performance or the risks thereof occur. ▶ Review performance before reporting to politicians so that they can prepare, control the quality of performance reports submitted and ensure that adequate response strategies are proposed in cases of poor performance. ▶ Review performance prior to being conducted by standing, portfolio or committees.
Mayoral Committee	Quarterly	Review performance of the administration, and should remain strategic. It is proposed that reviews take place on a quarterly basis with the regular final quarterly review taking the form of an annual review. The content of the review should be confined to agreed and confirmed priority areas and objectives only. The Municipal Manager should remain accountable for reporting on performance at this level.
Council	Monthly/ Quarterly/ Annually	Review performance of the Municipal Council, its committees and the administration on monthly, quarterly and annual basis, in the form of a tabled annual report at the end of the financial year.
Public	Annually	Review performance of the Municipality and public representatives (Councillors) in the period between elections. It is required by legislation that the public is involved in reviewing municipal performance at least annually.

PERFORMANCE REPORTING:

There are various types of reports that must be generated and disseminated to all the relevant stakeholders:

- ▶ Monthly reports;
- ▶ Quarterly reports;
- ▶ Mid-year assessment report also known as section 72 reports; and
- ▶ Annual reports which are key reporting instruments for municipalities to report against performance targets and budgets outlined in IDP.

Annual Reports contain information of service delivery, performance and how the budget was implemented. The oversight report is the final major step in the annual reporting process of a municipality. It is essential that all these reports are made accessible to everybody through publication in the municipal website in order to ensure transparency and access to information.

In order to ensure accountability and credibility, the quarterly reports are audited internally by the Internal Audit unit, the Performance Audit Committee and annually by the Auditor-General. The Performance Audit Committee must then table audited performance reports to Council bi-annually.

In terms of this Policy, the frequency of reporting intervals is that all Quarterly Reports are due for submission to the PM&E unit on the 10th after the end of the quarter. If the 10th falls on a Sunday or Public Holiday, the report will be due on the following day, if the 10th falls on a Saturday, the reports are due a day before or the following Monday, but only if that has been negotiated with the PME unit.

PERFORMANCE AUDITING

In order for the performance management system to enjoy credibility and legitimacy from the public and other stakeholders, performance reports, must be audited. Audits should ensure that reported performance information is accurate, valid and reliable.

In terms of the provisions of the Municipal Systems Act and the Performance Regulations of 2001, the annual performance report must be audited internally, and before being tabled and made public, the annual performance report will also be audited by the Auditor-General. It is therefore important to allow sufficient time between completion of annual reports and the tabling of the annual report for auditing.

After being reviewed by the Council, the annual report must then be submitted to the Auditor-General before 31 August of every year, for auditing and be submitted to the MEC for local government in the province for the MEC to complete an annual report of performance of all municipalities in the province, identifying poor performing municipalities and proposing remedial action and submit the provincial report to the

national minister. The national minister will then present a consolidated report to parliament.

INTERNAL AUDITING OF PERFORMANCE MEASUREMENTS

I. THE INTERNAL AUDIT UNIT OF THE KWADUKUZA MUNICIPALITY

In terms of Regulation 14 of the Planning and Performance Regulations of 2001, every municipality must develop and implement mechanisms, systems and processes for auditing the results of performance measurements as part of its internal auditing processes. The functions of the internal audit unit include the assessment of the following:

- i) The functionality of the municipality's performance management system;
- ii) whether the municipality's performance management system complies with the provisions of the Municipal Systems Act; and
- iii) the extent to which the municipality's performance measurements are reliable in measuring performance of municipalities on its own indicators and the national indicators.

The Regulations further provides that the municipality's internal auditors must:

- i) on a continuous basis, audit the performance measurements of the municipality; and
- ii) submit quarterly reports on their audits to the municipal manager and the performance audit committee.

The KwaDukuza Municipality has complied with the Regulations by establishing an Internal Audit Unit. The Internal Audit Unit will be responsible for the assessment of the functionality of the system, whether the municipality's PMS complies with the provisions of the acts, and to validate whether the municipality's measurement (Indicators) both the municipality's and National government's are reliable. The Municipal Manager and the Mayor will place reliance on the performance audit risk assessments and audit reports to make informed decisions and motivate for any reviews and improvements to the municipal council and communities.

II. THE PERFORMANCE AUDIT COMMITTEE

Regulation 14 of the Planning and Performance Regulations stipulates the provisions that guide the establishment of the Performance Audit Committee and outline the functions and powers entrusted to the committee as the following:

- a) review the quarterly reports submitted to it by the Internal Auditors;
- b) review the municipality's performance management system and in doing so, focus on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the KwaDukuza Municipality in its organizational scorecard are concerned;
- c) make recommendations in this regard to the municipal council; and
- d) at least twice during a financial year submit an audit report to the municipal council;
- e) communicate directly with the council, municipal manager or the internal and external auditors of the municipality;
- f) access any municipal records containing information that is needed to perform its duties or exercise its powers;

- g) request any relevant person to attend any of its meetings, and if necessary, to provide information requested by the committee; and
- h) investigate any matter it deems necessary in the performance of its duties and the exercise of its powers.

The KwaDukuza Municipality appointed the Performance Audit Committee. The municipality provides an annual budget for the running of this committee and also provides the relevant secretarial capacity for the committee.

III. THE ROLE OF PERFORMANCE AUDIT COMMITTEE IN PERFORMANCE PLANNING.

The audit committee plays an important role in the strategic planning and annual performance planning of each of the institutions. The audit committee plays an important oversight role to ensure that the strategic plans and the annual performance plans are credible and strategic. The PAC should ensure that the following key areas of performance have been attended to by the management team of the municipality:

- ▶ The Key Performance Indicators (KPIs) are strategic in order to have impact on achievement of the goals of the organisation.
- ▶ The KPIs set are relevant and appropriate to the mandate of the organisation and service delivery.
- ▶ The targets are measurable and indicators verifiable by means of supporting evidence where targets have been met.
- ▶ The targets are specific and the indicators well-defined in order to ensure that they are understood by everybody in the municipality and can be achieved as planned.
- ▶ The targets are achievable, which means due consideration should be given whether resources available will assist in achieving planned targets and that targets are not over-ambitious when comparing it to the previous performance of the municipality.
- ▶ The PAC should monitor compliance to legislations as well as alignment between the IDP, SDBIP and Performance Agreements of Section 57 Managers.
- ▶ They must review quarterly reports on performance management provided by Internal Audit.
- ▶ The audit committee needs to ensure that internal audit audits the results of performance measurements, including the functionality of the PMS, compliance of the PMS with the relevant legislation, consistency between planning documents and reports, and reliability of performance information.
- ▶ The PAC must review the PMS and make recommendations to the accounting officer by compiling an audit committee report at least twice a year.
- ▶ The audit committee must review and comment on annual financial statements and the annual performance report and ensure timely submission to the Auditor-General.
- ▶ The report of the audit committee needs to make reference to the following aspects relating to performance management:
 - Compliance with statutory requirements and performance management best practices.
 - Alignment among planning documents, budget, performance agreements and in-year and annual reports.
 - Quarterly reports submitted by internal audit.
 - Annual financial statements and timely submission to the Auditor General.
 - Annual reports within the stipulated time frames.
 - The PMS, including recommendations for improvement.

INDIVIDUAL PERFORMANCE MANAGEMENT FOR STAFF BELOW SECTION 57.

After lengthy consultation with organized labour Council at its meeting held on 25 July 2017 approved PMS Policy to be implemented in a phased in approached as follows: -

2017/2018 = Directors and Managers i.e. form Task Grade 14 upward

2018/2019 = Official from Task Grade 11 - 12

2019/2020 = Official from Task Grade 9 - 10

2020/2021 = Officials from Task Grade 7 – 8

2021/2022 = Officials from Task Grade 5 – 6

2022/2023 = Official from Task Grade 2 - 4

PROGRESS

Some Business Units commenced with developing and implementation of PMS in 2017/18 financial year as a pilot project at manager level with a view to formalize it in 2018/19 year. So far the following Business Units have developed performance plans for their managers and final evaluations are to take place in July 2019: -

NO	BUSINESS UNIT	TOTAL NUMBER EMPLOYEES AT T14 AND ABOVE	NUMBER OF PERFORMANCE PLANS SIGNED	NUMBER OUSTANDING
1	Office of the Municipal Manager	12	0	12
2	Corporate Services	4	4	0
3	Finance	7	7	0
4	EDP	10	10	0
5	Community Services & Public Amenities	5	5	0
6	Community Safety	5	0	5
7	Civil Engineering & Human Settlement	4	0	4
8	Electrical Engineering	7	4	3
9	Youth Development	1	0	1
	TOTALS	54	20	34

PERFORMANCE REVIEWS

Performance reviews are to be conducted twice a year to check if the employees are able to achieve the set standards and review performance plans where necessary.

PERFORMANCE EVALUATION SYSTEM

Though the cascading of PMS below section 56 Employees was approved in 2017, the implementation began in the 2018/19 financial year and since, most of the affected employees joined the system a little late, some Business Units could not conclude evaluation for the financial year.

PERFORMANCE BONUS

KDM policy does not cater for performance bonuses but employees are granted additional annual leave days should they perform above the set standard. No additional leave was approved as Business Units were still busy with performance reports for the 2018/19 financial year.

THE ROLE OF MODERATOR

Performance scores as determined by the immediate Supervisor, must, prior to discussion with the employee, be quality assured by a Moderator who is independent of the department in question, e.g. If the department is Corporate Services Department, a Moderator from the Technical Services Department, who is a Manager, Senior Manager, Director or Executive Director depending on the level of the post and the immediate reporting relationship, shall be the moderator.

The Moderator shall:

- ▶ Review appropriateness and consistency of the overall scoring of subordinate staff.
- ▶ Discuss with the Manager/Supervisor where opinions differ.
- ▶ In the event that the employee is dissatisfied with the outcome of the performance assessment, he/she may refer the matter to the Moderator who will consider submissions from both the employee and Manager / Supervisor concerned. The decision of the Moderator will be final and binding.

THE LINK TO TRAINING & DEVELOPMENT

Every employee is required to have an individual learning plan (ILP) that is prepared at the end of the formal performance review. These plans should form a key part of the skills development planning process. ILPs provide an opportunity for Managers/Supervisors and employees to jointly identify training and development needs in order to improve job performance and support individual development.

THE LINK TO EMPLOYMENT EQUITY.

Performance management can contribute to the achievement of the municipality's Employment Equity Strategy in a number of ways:

- ▶ By making employment equity a key objective for each Manager/Supervisor, the municipality is ensuring that line and senior management take responsibility for meeting their employment equity objectives.

- The ILP must reflect training that can assist in the development of selected employees, thus contributing to the enhancement of their individual potential to carry out higher-level jobs.

During the planning phase of the performance management cycle, objectives that are set for selected individuals should expose them to more and more challenging tasks so that when they are promoted, they have already been exposed to higher level tasks.

TRAINING OF MANAGERS / SUPERVISORS

All Managers/Supervisors should ideally be required to attend the training courses to ensure that they are equipped with the necessary skills to effectively manage performance within their units. The Skills Development Unit will conduct the training. The training course will focus on the following areas:

- The Performance Management System
- The Manager as Coach
- Conducting the Performance Review
- Managing Poor Performance

HUMAN RESOURCE PROFILE

Level	REGION DEMOGRAPHICS	KWADUKUZA MUNICIPALITY OVERALL														
		EXECUTIVE DIRECTORS			DIRECTORS			SENIOR MANAGEMENT			MIDDLE MANAGEMENT			OTHER STAFF		
		SECTION 56/57			TASK GRADE 19			TASK GRADE 16 - 18			TASK GRADE 14 - 15			TASK GRADES 2- 13		
NO.OF		Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff	Exist	Ideal	Diff
African Males	45.8%	7	7	0	19	19	0	5	5	0	14	12	0	460	460	0
African Females	41.4%	0	1	1	3	5	2	5	6	1	7	9	2	298	334	36
Coloured Males	0.5%	0	0	0	0	0	0	0	2	2	1	4	3	7	22	15
Coloured Females	0.4%	0	0	0	0	0	0	0	0	0	0	2	2	2	18	16
Indian Males	5.4%	2	2	0	5	5	0	4	4	0	5	5	0	100	120	20
Indian Females	3%	0	0	0	2	2	0	0	4	4	3	4	1	56	77	21
White Males	2.5%	0	0	0	0	2	0	0	0	0	3	5	2	2	14	12
White Females	2.5%	0	0	0	0	2	2	0	2	2	2	2	0	7	19	13
Other Males	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Females	0%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 36: Employment Equity statistic

INFORMATION AND COMMUNICATION TECHNOLOGY

- The Municipality has a fully functional ICT Department.
- The ICT Governance framework has been implemented and there are regular sittings of the ICT Steering Committee.
- The ICT Steering Committee is chaired by the Municipal Manager and the Executive Directors are members.
- The ICT Security Policy has been approved and implemented.
- The number of findings by the Auditor General has been reduced from 17 to 8.

- The Post of Director ICT has been advertised.
- The ICT Tender for the procurement of equipment has been approved and awarded.
- The Municipality has an Enterprise Agreement with Microsoft for the licensing of its products.
- The ICT Steering Committee has recommended the realignment of the ICT Strategy to the IDP and also taking into account the targets of the Fourth Industrial Revolution (4IR).

4.2 COMPONENT A: MUNICIPAL PERSONNEL WORKFORCE

EMPLOYEE TOTALS/ STAFFING INFORMATION

STAFF COMPLEMENT	ACTUAL	VACANCIES	TEMPORARY STAFF
Employees	1003	62	
Section 56 Managers	9	1	0
FUNCTION	NUMBER OF STAFF		NUMBER OF VACANCIES
Municipal Manager	2		0
Chief Operations Office	46		5
Corporate Services	67		4
Finance	86		8
EDP	48		4
Community Services	263		10
Community Safety	242		9
Civil Engineering	131		6
Electrical Engineering	109		14
Youth Development	9		2
TOTAL	1003		62

Table 37: Total Approved Posts on the Organogram

STAFF TURNOVER

This refers to the total number of terminations registered by KDM as a result of resignation, retirement, death, medical boarding, abscondment and dismissal. In total, there were 18 permanent employees while 37 were temporary employee staff turnovers recorded for the year under review.

VACANCY RATE PER POST LEVEL, FUNCTIONAL LEVEL

LEVEL	TASK GRADE	VACANCY RATE
Executive Directors	00	10%
Directors	19 and above	11%
Senior Managers	16-18	39%
Professionally Qualified	14-15	23%
Other	2-13	13%

4.3 COMPONENT B: MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

HR POLICIES AND PLANS

Council approved the following policies during the period 2018/2019:

- ▶ KDM Staff Remuneration Policy
- ▶ Human Resource Development Strategy
- ▶ Priority Skills Strategy
- ▶ Leave Management Strategy
- ▶ Succession Planning
- ▶ Supervisor Development Strategy
- ▶ Recruitment and Selection Policy

- ▶ Staff Conditions of Service
- ▶ Performance Management Policy
- ▶ Recognition of Prior Learning Policy
- ▶ Conditions of Service Policy
- ▶ Exit Management Policy

INJURIES

Human Resource Management and Development service is responsible for the reporting and administration of injuries on duty for permanent staff members. This involves the administrative process to report the injury that occurred after it has been reported by the employee or the head of department, the arranging of medical examination, arranging of follow-up visits for treatment and/or evaluation. The submission of accounts to the Compensation Commissioner is also done. For the year 2018/2019, there were 14 injuries on duty that were reported to the compensation commissioner. It be noted that these were minor injuries not leading to any disability and it is a reduction of the previous year's 18.

SUSPENSIONS: DISCIPLINARY ACTION 2018/2019

PAY NO	DEPARTMENT	DESIGNATION	NATURE OF MISCONDUCT	DATE REPORTED	GENDER	OUTCOME
P041106	Community Safety	Traffic Officer	Blocking municipal entrance	16/01/2018	Male	Finalized
P04178	Community Safety	Traffic Officer	Blocking municipal entrance	16/01/2018	Male	Finalized
P04150	Community Safety	Traffic Officer	Blocking municipal entrance	16/01/2018	Male	Finalized
P04162	Community Safety	Traffic Officer	Blocking municipal entrance	16/01/2018	Male	Finalized
P04194	Community Safety	Traffic Officer	Blocking municipal entrance	16/01/2018	Male	Finalized
P04509	Community Safety	Senior Lifeguard	Misconduct: Posting racist videos and remarks on social media, making reference to the KwaDukuza Municipality	06/04/2018	Male	Finalized
P36026	Mechanical Workshop Electrical and Technical Services	General Assistant	Misconduct: Theft of Meal Vouchers	26/04/2018	Male	Finalized
P02214	Office of the municipal manager	Legal Contract and Research Officer	Misconduct; failure to execute duties diligently	09/04/2018	Female	Pending
P215105	Supply Chain Management	Manager Demand -	Misconduct; failure to execute duties diligently	09/04/2018	Male	Pending
P02567	Corporate Services	Director: Admin and Property Management	Misconduct; failure to execute duties diligently	09/04/2018	Female	Pending
P22012	Supply Chain Management	SCM Manager	Misconduct: Failure to execute duties diligently	09/04/2018	Male	Pending
P58209	Electrical Engineering	Electrician Electrical Engineering	Misconduct: Theft		Male	Finalized
P15626	Economic Development & Planning	Senior Manager	Misconduct: Failure to execute duties diligently	09/04/2018	Male	Finalized
P154106	Economic Development & Planning	Chief Town Planner	Misconduct: Failure to execute duties diligently	09/04/2018	Male	Finalized
P05609	Community Services & Public Amenities	General Worker -	Misconduct: Mis-use of vehicle	02/05/2018	Male	Finalized
P07021	Community Services & Public Amenities	Truck Driver -	Misconduct: Mis-use of vehicle	03/04/2018	Male	Finalized
P02122	Corporate Services	General Worker	Misconduct: abscondment	23/08/2018	Female	Finalized
P17246	Community Services & Public Amenities	General Worker	Misconduct: abscondment	24/04/2019	Male	Finalized
P02614	Human settlement	General Worker	Misconduct: abscondment	08/08/2018	Female	Finalized
P36033	Mechanical Workshop	Artisan Assistant	Misconduct: Mis-use of vehicle	19/05/2018	Male	Finalized

Table: Disciplinary action

4.4 COMPONENT C: CAPACITATING MUNICIPAL WORKFORCE

OCCUPATIONAL LEVELS (GENDER)

OCCUPATIONAL CATEGORY	MALES	FEMALES	TOTAL
Legislators	1	17	18
Directors and Corporate Managers	30	15	45
Professionals	4	3	7
Technicians and Trade workers	1	2	3
Community and Personal service workers	29	8	37
Clerical and Administrative workers		5	5
Machine Operators and Drivers			
Labourers	61		61
TOTAL	126	50	176

Table 39: Training beneficiaries per occupational category

BURSARIES AWARDED TO INTERNAL STAFF

FIELD OF STUDY	NUMBER OF AWARDEES	RAND VALUE
Advanced Dipl. In Accounting	1	R4320.00
Btech Management	6	R268100.00
Bachelor Of Law	2	R21945.00
Nd: Public Management	2	R19620.00
Ba: Political Leadership & Citizenship	1	R5790.00
Bachelor Of Accounting Science	1	R1440.00
Nd: Management	1	R4380.00
Ba: Government & Administration	1	R5990.00
Nd: Traffic & Municipal Policing Management	5	R31770.00
N4-N6 Public Management	28	R150620.00
Btech: Horticulture	1	R9550.00
Nd: Accounting	1	R24160.00
Nd: Public Administration & Management	1	R7720.00
Nd: Public Relations	1	R15430.00
Nd: Human Resources Management	1	R15430.00
Btech: Human Resources Management	1	R15250.00
Ba: Development Studies	2	R30590.00
Btech: Public Management	3	R72300.00
Bachelor Disaster Management	1	R16825.00
Advanced Dip. In Accounting	1	R7700.00
Bcompt In Internal Auditing	1	R9240.00
Masters: Community Work	1	R6500.00
Masters In Regional & Town Planning	1	R24565.00
Nd: Ornamental Horticulture	1	R8520.00
Nd: Safety Management	1	R15400.00
Bcom Industrial & Organisational Psychology	1	R12410.00
Post Graduate Diploma In Public Administration	1	R13260.00
	68	R818825.00

Table 40: Bursaries awarded

INTERNSHIP PROGRAMME

AREA OF FOCUS	NUMBER OF INTERNS
INTERNAL AUDIT	03
TOWN PLANNING	1
LOCAL ECONOMIC DEVELOPMENT	2
WASTE	2
INFORMATION TECHNOLOGY	1
PROPERTY MANAGEMENT	2
LIBRARY SERVICES	1
PARKS & GARDENS	1
HUMAN RESOURCES MANAGEMENT	2
FIRE & EMERGENCY	2
MARINE SAFETY	1
TRAFFIC & CRIME	1
TESTING & MOTOR LICENSING	1

Table 41: Internship Programme

Budget allocation to skills development **R2 177 584**

MFMA COMPETENCY TRAINING FOR SENIOR MANAGERS

NAME OF OFFICIAL	A	B	C	D	E	F
	Total Number of Employees employed by the Municipality: Regulation 14(4)(a)(c)	Total of officials employed by the municipal entity Regulation 14(a)(c)	Consolidated total of A and B	Consolidated competency assessments completed for A and B: Regulation 14(4)(b)(d)	Consolidated Total number of officials whose performance agreements comply with Regulation 16: Regulation 14(4)(f)	Consolidated Total number of officials that meet the prescribed competency levels: Regulation 14(4)(e)
FINANCIAL OFFICIALS						
Accounting Officer	1		1	1		1
Chief Financial Officer	1		1	1	1	1
Executive Directors						
Directors						
Senior Managers	6		6	5		5
Middle Managers	17		17	10		10
SUPPLY CHAIN MANAGEMENT OFFICIALS						
Head of SCM	1		1	1		1
SCM Managers	1		1	1		1
Any other financial officials	12		12	10		10
TOTAL	39		39	29		29

Table 42: Minimum competency levels for senior managers

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Financial Performance Annual Performance Report



COMPONENT A: STATEMENT OF FINANCIAL PERFORMANCE

REVENUE

KwaDukuza Municipality's (KDM) operating revenues grew by 11.15% from R1 475 337 860 (restated) in 2018 to R1 639 833 421 in 2019. Major attributes to the increase in revenue are Donation Income (152% increase) and Interest Earned on Investment (31.07% increase).

Own revenue remained within the 85% range of total revenue. This indicates that the Council is not dependent on grant funding as it operates successfully on its own.

Assessment rates reflected an increase of 11.39% (2018: 14% restated), refuse income increased by 4.03% (2018: 18.67%) and electricity revenue increased by 10.35%. The increase in the percentage year-on-year electricity revenue can be attributable to a combination of higher electricity tariff increases compared to the previous year, additional growth of the consumer database and rigorous energy losses procedures put in place. It should also be noted that ESKOM bulk tariff increases for 2018/2019 was 7.32% growth in bulk electricity costs.

EXPENDITURE

An overall increase of 10.81% was recognised compared to prior financial year (decrease of 0.42%). The following key categories contributed to the increase:

- ▶ Debt Impairment : an increase of 169.99% when compared to the previous year increase of 5.64%.
- ▶ Loss on Disposal of Asset : an increase in expenditure by 23.77% in 2019 as compared to a decrease of 85.83% in 2018.
- ▶ Bulk Purchases : an increase of R 63.2 M i.e 11.15%.

COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

The capital budget is committed largely to new infrastructure projects and the renewal of existing capital assets with a focus on direct service delivery projects. KDM had an approved Capital Budget of R236 753 876. The total spending for the year amounted to R149 856 714 which represents 63.30% of the total approved adjusted capital budget.

COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENT

The cash and cash equivalents of the municipality as at 30 June 2019 amounts to R565 939 178. This represents an increase of 40.12% as compared to the previous financial year. This however excludes the short-term deposits.

The interest earned on investments in the 2018/2019 financial year amounted to R40 733 867 which represents a 31.07% increase from 2017/18 (2017/2018: R31 076 918).

Finance costs have decreased by 3.81% in the 2018/2019 financial year. The purchase of PPE resulted in an outflow of R149 856 714 in 2019 amounting to a 63.30% capital spend.

The following ratios confirm the liquidity of our municipality:

- ▶ Current ratio is at 2.36:1 as compared to the previous year of 2.30:1
- ▶ The acid test ratio is at 2.35:1 as compared to the previous year 2.28:1.

It should be noted that the ratios are within the norm however there is a marginal increase in the liquidity ratios.

Although it may appear that our cash reserves have increased significantly a substantial component of the cash reserves are ring fenced for statutory or constructive obligations. Further the 2019/20 capital budget relies heavily on cash reserves which will reduce our cash holdings as the 2019/20 financial year progresses.

COMPONENT D: OTHER FINANCIAL MATTERS

KwaDukuza Municipality has ensured that it improves its financial management through the implementation of relevant internal controls and adhering to legislation.

Financial reporting – finance reports are presented to the Finance Portfolio Committee on a monthly basis. All statutory returns have been submitted to National Treasury on a monthly, quarterly, bi-annually and annually basis. S71, S52 (d) & S72 reports are compiled and submitted to National Treasury.

During the 2018/19 Financial Year KwaDukuza closely monitored the implementation of mSCOA. This process commenced in the 2017/18 financial year.

Various awareness and training sessions were held throughout the municipality to ensure that all necessary role-players were au fait with the implications and enhancements which mSCOA had on our operations. We will continue to improve on our internal controls in order to ensure that we achieve our goal of obtaining a clean audit opinion.

APPENDIX C: REPORT OF THE AUDIT & PERFORMANCE AUDIT COMMITTEE

INTERIM REPORT OF THE AUDIT AND PERFORMANCE AUDIT COMMITTEE FOR THE YEAR ENDED 30 JUNE 2019

The Audit and Performance Audit Committee is pleased to present below its report for the financial year ended 30 June 2019.

AUDIT AND PERFORMANCE AUDIT COMMITTEE MANDATE

The KwaDukuza Municipality has established an Audit Committee (AUDCOM) and a Performance Audit Committee (PAC) in accordance with section 166 of the Municipal Finance Management Act, Act no 56 of 2003 (MFMA) and section 14(2)(c) of the Local Government Municipal Planning and Performance Regulations, 2001 (Regulations). Consideration has also been given to Circular No. 65 issued by the National Treasury in November 2012 as well as the recommendations contained in the King Report on Governance for South Africa 2009 (King IV).

ROLE OF THE AUDIT COMMITTEES

The role of the AUDCOM is to assist the KwaDukuza Municipality in achieving its strategic goals and objectives, by helping to maintain effective internal control, effective risk management, accurate financial reporting and corporate governance principles, compliance with applicable legal and regulatory requirements and other such duties as may be directed by the Council and the Accounting Officer.

The AUDCOM does not assume the functions of management which remain the responsibility of the Accounting Officer, Council and the delegated officials.

The AUDCOM does not assume the functions of management which remain the responsibility of the Accounting Officer, Council and the delegated officials.

AUDIT COMMITTEE MEMBERS AND ATTENDANCE

Audit Committee members serve on both the AUDCOM and PAC. The committee consists of independent, external members. In the first six months of the financial year the committee comprised 5 members, and in the second half of the year the committee comprised 4 members.

The committee is required to meet at least 6 times per annum, although additional meetings may be called as the need arises. In the year under review 10 meetings were held and the meeting attendance was as follows:

Audit Committee members and attendance

MEMBERS	QUALIFICATIONS	PAC		AUDCOM	
		NO. OF MEETINGS	ATTENDANCE	NO. OF MEETINGS	ATTENDANCE
Mrs W. Oelofse (Chair PAC)	CA (SA)	4/4	100%	5/5	100%
Mr Z. Zulu (Chair AUD)	MBA	4/4	100%	4/5	80%
Mr D. Bosche	B Compt Unisa	4/4	100%	5/5	100%
Mr S. Mngoma	CA (SA)	2/4	50%	4/5	80%
Dr D. Rampersad	PHD, MBA, NTD	1/1	100%	3/4	75%

Table 43: Audcom/PAC meetings

AUDIT COMMITTEE RESPONSIBILITY

The AUDCOM met to consider reports submitted as per the AUDCOM Work Plan. It was disappointing to note that, despite ample notice, a number of Executive Directors did not attend and did not send a representative. Furthermore, a number of reports requested via the AUDCOM Work Plan were not submitted for consideration. As a result, AUDCOM was unable to perform a number of its statutory duties with the thoroughness it would prefer.

In the conduct of its duties, the AUDCOM has performed the following statutory duties:

1. REVIEW INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDITS

The Internal Audit Department (IAD) was functional for the twelve months under review. The internal audit plan for 2018/2019 took into consideration the critical risks of the operations of the Municipality, addressed the findings of the Auditor-General and the Internal Audit Department from the audit of the previous financial year and was prepared for a period of 3 years. The Internal Audit plan was approved on 30 July 2019.

The IAD submitted reports during the year. Areas of concern with a high-risk rating were discussed with management and the risks

were verified with various departments. The internal audit reports included recommendations to improve internal controls together with agreed management action plans to resolve the issues reported on. AUDCOM recommended that management and IAD focus on identifying the root causes of the issues highlighted, and that they ensure that an implementation date is included in the management response.

It was noted by AUDCOM that management did not provide the level of co-operation required in order to finalise and issue audit reports on a timely basis. AUDCOM noted the constraints on Internal Audit resources which resulted in a back-log on the completion of the approved IAD plan and recommended that the Municipal Manager (MM) evaluate the IAD resources and take appropriate action. Unfortunately, there were a number of areas that could not be covered by the end of the financial year.

The AUDCOM reviewed and commented on the audit action plans for 2018/19 to address internal as well as external audit findings. AUDCOM noted that progress with implementation was slow and, in many instances, the corrective actions were not included on the report. The Committee monitored management progress against this plan on a quarterly basis and the IAD provided independent assurance on completed action plans. The AUDCOM will continue to monitor progress against the plan in response to audit findings at each of its future meetings.

Management is required to implement appropriate systems of internal controls and/or corrective action to address the identified weaknesses and possible irregularities. Although there are controls in place, the existing systems and procedures require enhancement and continued monitoring. The AUDCOM has expressed concern that the internal control environment is not yet fully effective to ensure clean administration, based mainly on the internal and external audit findings as well as the inadequate progress to implement corrective actions without consequences.

2. RISK MANAGEMENT

Internal Audit does not assume the functions, systems and processes of risk management but assists Council and management in the monitoring of risks in the Municipality through its own assurance processes and the progress of the different departments in the Municipality in managing their risk, in coordination with the risk officer.

Risk management is the identification, assessment, and prioritisation of risks and the application of resources to minimise, monitor, and control the probability and/or impact of the risks. The AUDCOM is responsible for the oversight of the internal and external audit function as well as for financial reporting. The assessment of internal controls over financial reporting is risk-based, and as a result the Audit Committee is responsible for overseeing management's risk policies and discussing the Municipality's key risk exposures with management.

As part of the annual risk review management identified current controls that may be in place to mitigate risks identified, as well as possible action plans to be implemented to improve the mitigation of risk. These risks were logged onto a risk register, which formed the basis of the risk-based audit plan.

AUDCOM noted with concern that the Risk Committee had not met for a number of months and recommended that this be remedied as a matter of urgency.

3. REVIEW OF THE FINANCIAL STATEMENTS

The financial statements for the financial year ending 30 June 2019 were prepared in line with the applicable GRAP standards and guidance contained in various MFMA circulars and current legislation. The AUDCOM evaluated the unaudited financial statements on 22 August 2019 for reasonableness, completeness and accuracy and considered the efficiency and effectiveness of internal controls over the preparation and reporting. The AUDCOM also considered an IAD report on the review of the financials and all supporting working papers as per MFMA circular 50. The AUDCOM made recommendations for improvement, which management has implemented prior to submission to the Auditor-General.

The AUDCOM was content with the presented unaudited financial statements for the period ended 30 June 2019 representing the financial state of affairs of the KwaDukuza Municipality and commended the Finance team on the quality of the financial statements prepared and presented for review. The AUDCOM had various interactions with the Auditor-General during the year to contribute to proper coordination and clean administration. The AUDCOM is awaiting the final management and audit report to conclude for the year under review.

4. ADEQUACY, RELIABILITY AND ACCURACY OF FINANCIAL REPORTING AND INFORMATION

Regular management reports were reviewed by the AUDCOM. These included debtors age analyses, income and expenditure reports, budget and variance reports and mid-year interim financial statements. Several pertinent matters were raised with management who in turn furnished satisfactory answers. In many instances, suggestions, recommendations, and/or requests from the AUDCOM, were implemented by management.

Information furnished by the IAD and Management has allowed the AUDCOM to form an opinion that the Municipality's system of internal financial control is effective and forms a basis for the preparation of reliable financial statements.

Some of the key challenges for the Municipality continue to be:

- ▶ Electricity losses and the management thereof;
- ▶ Debt collection;
- ▶ Irregular, fruitless and wasteful expenditure and the investigation thereof. The overall consequence management is not yet evident and AUDCOM recommends that Council take action;
- ▶ Supply Chain Management.

5. PERFORMANCE MANAGEMENT

The management of performance against predetermined objectives has unfortunately declined over the period covered by this report. Performance Management is not effective and AUDCOM recommends that Council implement consequence management against Executive Directors not responding to the Performance Management Unit and Internal Audit queries, particularly as regards to providing Portfolios of Evidence (POE) and corrective actions.

The IAD queries as well as queries raised and requests made by the Performance Management Unit (PMU) were not responded to within the agreed time frames if at all, often despite repeated attempts to engage management on these issues. This extended audit and reporting process has had an adverse impact on the resources available to the IAD and has contributed to IAD not completing the agreed audit plan for the year.

AUDCOM is very concerned at the lack of prioritisation of performance management and the lack of consequence management. The performance of the Municipality will only improve through regular quarterly reviews of management, the identification of areas requiring improvement, the agreement of action plans and the regular tracking of the progress made.

AUDCOM has also noted that there appears to be limited correlation between the Performance Management reports tabled to AUDCOM and the outcomes of individual Executive Director's (EDs) performance reviews. AUDCOM urges Council to consider linking Audit reports and individual performance evaluations more closely, in order to improve the Municipality's performance. AUDCOM also recommends that performance management is cascaded downwards to levels below the EDs as soon as possible.

6. EFFECTIVE GOVERNANCE

The AUDCOM is responsible for ensuring that the Municipality's internal and external audit functions are independent and has the necessary resources, standing and authority within the Municipality to enable it to discharge its duties.

The AUDCOM oversees cooperation between the internal and external auditors, and serves as a link between the Council and these functions. The internal and external auditors have unlimited direct access to the AUDCOM, primarily through its chairperson. The Mayor of the Municipality, the Chairperson of the Municipal Public Accounts Committee (MPAC), and representatives from COGTA, Provincial Treasury and the Auditor-General are invited to the Audit Committee meetings. The AUDCOM is not aware of any matters referred to them by Council.

7. COMPLIANCE WITH LEGISLATION AND ETHICS

Areas of non-compliance have been brought to the attention of management. A compliance checklist has been developed to address the shortcomings. Although an Ethics policy has been developed, the AUDCOM expressed concern at the lack of an implementation and communication plan to create the required awareness to ensure the effective implementation of the Policy.

8. ANNUAL REPORT

The AUDCOM has not reviewed the draft Annual Report for 2018/2019 as it was not tabled at the meeting on 22 August 2019.

9. RECOMMENDATIONS

1. CONSEQUENCE MANAGEMENT:

The AUDCOM expressed concern at the number of instances where audit findings were repeated, particularly as regards to Performance Management. The AUDCOM also expressed concern at the delays experienced in obtaining management comment on the IAD reports and urged management to address this urgently. It is unacceptable that Performance Management is not prioritised by the senior management team and AUDCOM recommends that Council actively involves itself to ensure that stringent measures such as consequence management are implemented, so that compliance can be adhered to.

2. EXECUTIVE DIRECTORS' MEETING ATTENDANCE:

In future AUDCOM will include the names of EDs who do not attend AUDCOM meetings in our reports and we urge Council to take action.

3. IRREGULAR EXPENDITURE:

Adequate steps are not being taken to prevent irregular expenditure. Overall consequence management is not yet tangible in the Municipality and AUDCOM urge Council to take action.

4. INTERNAL AUDIT DEPARTMENT RESOURCE CONSTRAINTS:

Constraints on IAD resources has resulted in the approved 2018/2019 audit plan not being completed, which increases the risk profile of the Municipality. AUDCOM recommends that the MM evaluate the IAD resources and take appropriate action.

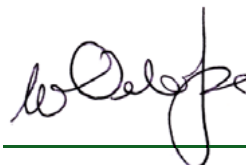
5. ENTERPRISE RISK MANAGEMENT:

has deteriorated and AUDCOM recommends that the MM takes action to improve this.

CONCLUSION

The AUDCOM confirms its commitment to assist Council to make significant progress towards clean administration and also wishes to thank Council and management for its support and the teams from internal and external audit for their contributions.

On behalf of the AUDCOM/PAC



Mrs Wendy Oelofse
Chairperson AUDCOM

12 December 2019

Date



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ANNUAL FINANCIAL STATEMENTS





KWADUKUZA MUNICIPALITY

AUDITED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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REPORT OF THE AUDITOR-GENERAL TO KWAZULU-NATAL PROVINCIAL LEGISLATURE AND THE COUNCIL ON THE KWADUKUZA MUNICIPALITY

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

1. I have audited the financial statements of the KwaDukuza Municipality set out on **pages 192 to 263**, which comprise statement of financial position as at 30 June 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the KwaDukuza Municipality as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act no. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2018 (Act no. 1 of 2018) (DORA).

CONTEXT FOR THE OPINION

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the municipality in accordance with sections 290 and 291 of the International Ethics Standards Board for Accountants' Code of ethics for professional accountants, and, parts 1 and 3 of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA codes), as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

EMPHASIS OF MATTERS

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

UNCERTAINTY RELATING TO THE FUTURE REIMBURSEMENT OF BULK ELECTRICITY SUPPLY COSTS

7. With reference to note 38 to the financial statements, the municipality has entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result had been made in the financial statements.

MATERIAL LOSSES - ELECTRICITY

8. As disclosed in note 52 to the financial statements, material electricity losses of R115,1 million (2017-18: R93,91 million) were incurred, which represents 18,05% (2017-18: 16,36%) of the total electricity purchased. Technical losses were due to transmission/distribution losses while non-technical losses were mainly due to illegal connections.

UNDERSPENDING OF THE CAPITAL BUDGET

9. As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its capital budget by R86,71 million which represents 37% of the total capital budget. The main reason for this underspending was the non-adherence to procurement plans for capital projects which delayed the awarding of contracts.

OTHER MATTER

10. I draw attention to the matter below. My opinion is not modified in respect of this matter.

UNAUDITED DISCLOSURE NOTES

11. In terms of section 125(2Ye) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA in the financial statements. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion on it.

RESPONSIBILITIES OF THE ACCOUNTING OFFICER FOR THE FINANCIAL STATEMENTS

12. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP, the requirements of the MFMA and Dora, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
13. In preparing the financial statements, the accounting officer is responsible for assessing the KwaDukuza Municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

AUDITOR-GENERAL'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

14. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
15. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

REPORT ON THE AUDIT OF THE ANNUAL PERFORMANCE REPORT

INTRODUCTION AND SCOPE

16. In accordance with the Public Audit Act of South Africa, 2004 (Act no. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
17. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
18. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the selected development objective presented in the annual performance report of the municipality for the year ended 30 June 2019.
19. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

Development objective	Pages in the annual performance report
Objective 4 – basic service delivery and infrastructure development	Pages 129-165

20. The material finding in respect of the usefulness and reliability of the selected objective is as follows:

OPMS NUMBER 41: THE NUMBER OF HOUSEHOLDS WITH ACCESS TO BASIC LEVEL OF ELECTRICITY (NKPI)

21. I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target of 67 281 households. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 62 547 households as reported in the annual performance report.

OTHER MATTERS

22. I draw attention to the matters below.

ACHIEVEMENT OF PLANNED TARGETS

23. The annual performance report on pages 129 to 165 sets out information on the achievement of planned targets for the year. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph 21 of this report.

ADJUSTMENT OF MATERIAL MISSTATEMENTS

24. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development objective 4-basic service delivery and infrastructure development as management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are reported above,

REPORT ON THE AUDIT OF COMPLIANCE WITH LEGISLATION

INTRODUCTION AND SCOPE

25. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislations are as follows:

EXPENDITURE MANAGEMENT

27. Reasonable steps were not taken to prevent irregular expenditure of R169,06 million (2017-18: R141,77 million) disclosed in note 49 to the financial statements, as required by section 62(1)(d) of the MFMA.

PROCUREMENT AND CONTRACT MANAGEMENT

28. Some goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by supply chain management (SCM) regulation 19(a). Deviations were approved by the accounting officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the previous year.

CONSEQUENCE MANAGEMENT

29. Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.

USE OF CONDITIONAL GRANTS

30. The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of Dora.

OTHER INFORMATION

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected objectives presented in the annual performance report that have been specifically reported in this auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate; however, if it is corrected this will not be necessary.

INTERNAL CONTROL DEFICIENCIES

35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. The matters reported below are limited to the significant internal control deficiencies that resulted in the findings on the annual performance report and the findings on compliance with legislation included in this report.
36. Leadership did not adequately oversee compliance with legislation. In this regard, leadership did not formulate policies and procedures to support the compliance with key legislative requirements.
37. Management did not perform adequate reviews on performance reports to ensure that they are supported by credible information.

OTHER REPORTS

38. I draw attention to the following engagements conducted by various parties that had, or could have, an impact on the matters reported in the municipality's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

INVESTIGATIONS

39. The investigation into the awarding of a contract for the supply of photocopiers to the municipality was completed during the year. The municipal manager is currently evaluating appropriate corrective action in response to the recommendations contained in the report.
40. At the request of the municipality, the provincial treasury initiated an investigation into possible collusion between prepaid electricity vendors and a former employee during the 2013-14 financial year. This investigation was completed and council has lodged the case with the South African Police Services.

Auditor - General

Pietermaritzburg
30 November 2019



ANNEXURE – AUDITOR-GENERAL’S RESPONSIBILITY FOR THE AUDIT

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and in professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected objectives and on the municipality’s compliance with respect to the selected subject matters.

FINANCIAL STATEMENTS

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - ▶ identify and assess the risks of material misstatement of the financial statements whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - ▶ obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality’s internal control. evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer.
 - ▶ conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the KwaDukuza Municipality’s ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a municipality to cease continuing as a going concern.
 - ▶ evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.



AUDITED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

I am responsible for the preparation of these Annual Financial Statements, which are set out on **pages 192 to 263**, in terms of Section 126(1) of the Municipal Finance Management Act No. 56 of 2003 and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 29 of these Annual Financial Statements are within the upper limits of the framework envisaged in Section 219 of the Constitution of South Africa Act No.108 of 1996, read with the Remuneration of Public Officer Bearers Act No. 20 of 1998 and the Minister of Provincial and Local Government's determination in accordance with this Act.

N J Mdakane
Municipal Manager

31 August 2019

Date

ANNUAL FINANCIAL STATEMENTS FOR KWADUKUZA MUNICIPALITY

for the year ended 30 June 2019
Province: KwaZulu Natal
AFS rounding: R

CONTACT INFORMATION:

Name of Municipal Manager:	Mr N J Mdakane
Name of Chief Financial Officer:	Mr S M Rajcoomar
Contact telephone number:	032 - 4375500
Contact e-mail address:	Shamirr@kwadukuza.gov.za
Name of contact at Provincial Treasury:	Ms Londiwe Zuma
Contact telephone number:	033 - 897 4354
Contact e-mail address:	londiwe.zuma@kzntreasury.gov.za
Name of relevant Auditor:	The Auditor-General
Contact telephone number:	033 - 264 7603
Contact e-mail address:	ntombifuthim@agsa.co.za
Name of contact at National Treasury:	Ms Elsabe Rossouw
Contact telephone number:	012 - 315 5534
Contact e-mail address:	Elsabe.rossouw@treasury.gov.za

KWADUKUZA MUNICIPALITY

ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

MEMBERS OF THE COUNCIL

DR N R Mthembu _____ Mayor (01 July 2018 - 16 May 2019)**G Govender** _____ Deputy Mayor (01 July 2018- 16 May 2019)
Acting Mayor (17 May 2019 - 30 June 2019)**R Z P Zulu** _____ Speaker**N R Khumalo** _____ Member of the Executive Committee**M S Sing** _____ Member of the Executive Committee**J L T Sibiya** _____ Member of the Executive Committee**T V Ntuli** _____ Member of the Executive Committee**J A Vallan** _____ Member of the Executive Committee**J S Phahla** _____ Member of the Executive Committee**D W Ndimande** _____ Chief Whip**O L Nhaca** _____ Chair: MPAC**V Govender** _____ Councillor**M E Ngidi** _____ Councillor**I P Dube** _____ Councillor**N J Mpanza** _____ Councillor**H Mbatha** _____ Councillor**S W Ntuli** _____ Councillor**L A E Yingwana** _____ Councillor**M Suleman** _____ Councillor**M S Mhlongo** _____ Councillor**T T Dube** _____ Councillor**C D Mthembu** _____ Councillor**V V Shezi** _____ Councillor**M Ndlela** _____ Councillor**N R Shezi** _____ Councillor**T S Ngidi** _____ Councillor**P B Mabaso** _____ Councillor**B I Dindi** _____ Councillor**S L Cele** _____ Councillor**N Qwabe** _____ Councillor**A L Sahadew** _____ Councillor**T Colley** _____ Councillor**V Pillay** _____ Councillor**T P Du Toit** _____ Councillor**S Naidoo** _____ Councillor**M Naidoo** _____ Councillor**A L Nzama** _____ Councillor**P Naidoo** _____ Councillor**N Dasrath** _____ Councillor**D H Mthembu** _____ Councillor**L I Mthembu** _____ Councillor**T Nkosi** _____ Councillor**C M Ntleko** _____ Councillor**M M Madlala** _____ Councillor**M E Zungu** _____ Councillor**N P Dube** _____ Councillor**E B Majola** _____ Councillor**A M Baardman** _____ Councillor**M S C M Motala** _____ Councillor**G J Van Whye** _____ Councillor**R Singh** _____ Councillor**T K Gumedede** _____ Councillor**A K Dawood** _____ Councillor**S M R Mfeka** _____ Councillor**G Z Mngomezulu** _____ Councillor**I T Nxumalo** _____ Councillor**V Mathonsi** _____ Traditional Leader**D Z Gumedede** _____ Traditional Leader**A M Zulu** _____ Traditional Leader**M B Cele** _____ Traditional Leader**H K Dube** _____ Traditional Leader**S Mthembu** _____ Traditional Leader

GENERAL INFORMATION ...continued

MUNICIPAL MANAGER

Mr N J Mdakane

CHIEF FINANCIAL OFFICER

Mr S M Rajcoomar

GRADING OF LOCAL AUTHORITY

Category 4

AUDITORS

Auditor General South Africa (AGSA)

PRIMARY BANKERS

ABSA Bank

Registered Office:	KwaDukuza Municipality
Physical address:	14 Chief Albert Luthuli Street KwaDukuza 4450
Postal address:	PO BOX 72 KwaDukuza 4450
Telephone number:	(032) 437 5000
Fax number:	(032) 437 5098
E-mail address:	municipalm@kwadukuza.gov.za

AUDITED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2019

		2019	2018 RESTATED
	Note(S)	R	R
ASSETS			
Current Assets		919 382 607	723 487 849
Inventories	8	5 366 257	7 056 782
Receivables from exchange transactions	9	103 340 956	97 969 111
Receivables from non-exchange transactions	10	104 497 796	102 065 105
VAT receivable	11	7 463 064	5 609 145
Current portion of long-term receivables	7	18 509	6 723
Short term investments	12	132 756 847	106 872 971
Cash and cash equivalents	13	565 939 178	403 908 013
Non-current assets		2 293 064 947	2 182 195 795
Investment properties	2	175 430 000	170 580 000
Property, plant and equipment	3	2 113 564 939	2 006 023 678
Intangible assets	4	3 341 566	4 845 240
Heritage Assets	5	105 386	105 386
Long-term receivables	7	623 055	641 491
Total Assets		3 212 447 554	2 905 683 644
LIABILITIES			
Current liabilities		389 174 045	314 108 322
Leases	16	939 758	-
Employee benefits	6	3 048 712	2 946 714
Trade and other payables	20	295 614 278	214 083 214
Unspent conditional grants, receipts and Public contributions	17	42 569 118	52 234 440
Current provisions	18	1 890 591	1 791 722
Deposits	21	33 500 617	32 018 269
Long service awards	6	1 780 955	1 704 438
Current portion of long term liabilities	19	9 830 016	9 329 526
Non-current liabilities		340 996 180	357 964 331
Leases	16	1 602 325	-
Employee benefits	6	90 757 603	91 779 566
Non-current provisions	18	18 232 290	29 668 542
Long service awards	6	19 305 920	15 588 164
Long-term liabilities	19	211 098 042	220 928 059
Total Liabilities		730 170 225	672 072 653
Net Assets		2 482 277 336	2 233 610 993
NET ASSETS			
Reserves			
Revaluation reserve	14	18 313 137	18 313 137
Housing Operating Account	15	8 728 156	8 728 156
Accumulated surplus		2 455 236 051	2 206 569 708
Total Net Assets		2 482 277 336	2 233 610 993

AUDITED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018 RESTATED
	Note(S)	R	R
REVENUE			
Revenue from exchange transactions			
Service charges	22	868 459 465	790 314 420
Rental of facilities and equipment		1 226 997	1 487 942
Interest earned outstanding debtors		6 347 681	5 231 489
Other income	23	51 525 309	54 794 039
Gain on disposal of property, plant and equipment		-	-
Interest received - investments	24	40 733 867	31 076 918
Total revenue from exchange transactions		968 293 320	882 904 809
Taxation revenue			
Property rates	25	441 683 306	396 521 497
Property rates - penalties imposed	25	14 684 033	11 281 177
Licences and permits (Non-exchange)		11 136 751	11 134 549
Transfer revenue			
Government grants, subsidies & Public Contributions	26 & 27	235 503 810	215 299 863
Donations		27 675 743	10 953 556
Fines	43	12 779 409	19 729 568
Total revenue from non-exchange transactions		743 463 052	664 920 210
Total Revenue		1 711 756 373	1 547 825 019
EXPENDITURE			
Employee related costs	28	362 790 990	336 226 172
Remuneration of councillors	29	22 293 002	21 811 650
Adjustments to Provisions	18	630 181	137 755
Depreciation and amortisation	30	70 044 508	67 347 666
Impairment loss	31	818 871	4 075 102
Finance costs	32	22 222 847	23 102 861
Debt Impairment	33	48 085 706	17 832 038
Bulk purchases	34	630 488 802	567 223 215
Contracted services	44	154 749 106	130 669 492
General Expenses	35	148 497 795	145 390 408
Employee and Long Services Benefits	6	3 794 273	6 863 450
Donation Expense		-	1 201 499
Total Expenditure		1 464 416 081	1 321 881 306
Operating Surplus		247 340 292	225 943 713
Loss on disposal of assets and liabilities	3 & 4	(3 523 949)	(2 847 211)
Fair value adjustments	36	4 850 000	6 095 000
		1 326 051	3 247 789
SURPLUS FOR THE YEAR		248 666 343	229 191 502

AUDITED STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED 30 JUNE 2019

	REVALUATION RESERVE	HOUSING OPERATING ACCOUNT	TOTAL RESERVES	ACCUMULATED SURPLUS	TOTAL NET ASSETS
	R	R	R	R	R
Restated Balance at 01 July 2016	18 313 137	8 728 156	27 041 293	1 772 897 974	1 799 939 267
Surplus for the year 2016/2017	-		-	156 014 216	156 014 216
Adjustment to Other Income 2016/2017 - reversal of transfer of electrical connection deposits to revenue				(205 897)	(205 897)
Adjustment to Rates Revenue prior to 2017/2018 due to S78 and other related adjustments				109 591	109 591
Loss on derecognition of assets - Electrical Infrastructure				(4 290 308)	(4 290 308)
Loss on derecognition of Furniture and Fittings				(17 336)	(17 336)
Take-on off electrical Infrastructure assets - Developers Contribution				42 997 558	42 997 558
Adjustment to Depreciation prior to 2017/2018				(2 919 872)	(2 919 872)
Adjustment to Impairment loss prior to 2017/2018				139	139
Intangible Assets incorrectly capitalised (Javlin 5 Classic)				(10 570)	(10 570)
Intangible Assets incorrectly capitalised (Javlin 5 Classic) - Accumulated Amortisation prior 17/18				9 810	9 810
Reversal of Donations erroneously transferred to Provision				29 833 440	29 833 440
Adjustment to provision in respect of developers contribution prior 2016/2017				(17 024 266)	(17 024 266)
Adjustment to provision in respect of developers contribution prior 2016/2017				(3 527 552)	(3 527 552)
Electrical Infrastructure incorrectly capitalised prior to 2016/2017				(14 189)	(14 189)
Adjustment to Depreciation prior to 2017/2018				3 591	3 591
Recognition of Electrical Assets - Donations				3 573 116	3 573 116
Depreciation on recognised electrical assets				(39 458)	(39 458)
Reversal of impairment previously recognised				243	243
Reversal of Proceeds previously recognised				(12 025)	(12 025)
Restated* Balance at 01 July 2017	18 313 137	8 728 156	27 041 293	1 977 378 206	2 004 419 492
Changes in net assets	-	-	-	-	-
Surplus for the year 2017/18	-	-	-	229 191 502	229 191 502
Total changes					
Restated Balance at 30 June 2018	18 313 137	8 728 156	27 041 293	2 206 569 708	2 233 610 993
Surplus for the year 2018/2019				248 666 343	248 666 343
Balance at 30 June 2019	18 313 137	8 728 156	27 041 293	2 455 236 051	2 482 277 336
Note(s)	14	15			

Note 41 provides further details of adjustments pertaining to the 2016/2017 and 2017/2018 financials years.

AUDITED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018 RESTATED
	Note(S)	R	R
Cash flows from operating activities			
Receipts			
Interest income		40 733 867	31 076 918
Cash received	42	1 587 929 747	1 463 428 794
		1 628 663 614	1 494 505 712
Payments			
Finance costs		(22 222 847)	(23 102 861)
Cash paid	42	(1260 493 732)	(1 191 562 594)
		(1282 716 579)	(1 214 665 455)
Net cash flows from operating activities		345 947 035	279 840 258
Cash flows from investing activities			
Purchase of Property, Plant & Equipment	3	(149 856 714)	(152 806 333)
Proceeds from sale of property, plant and equipment	3	22 280	141 100
Purchase of other intangible assets	4	-	-
Movement in short term investments		(25 883 877)	14 587 572
Net cash flows from investing activities		(175 718 310)	(138 077 661)
Cash flows from financing activities			
Consumer deposits		1 482 348	624 783
Movement in long term liabilities		(9 329 527)	(8 684 418)
Finance lease payments		(350 382)	(4 098)
Net cash flows from financing activities		(8 197 561)	(8 063 733)
Net increase/(decrease) in cash and cash equivalents		162 031 164	133 698 864
Cash and cash equivalents at the beginning of the year		403 908 014	270 209 149
Cash and cash equivalents at the end of the year	13	565 939 178	403 908 014

AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS (PLEASE REFER TO NOTE 59)

FOR THE YEAR ENDED 30 JUNE 2019

	APPROVED BUDGET	ADJUSTMENTS	ADJUSTMENTS BUDGET	
	R	R	R	
Statement of Financial Performance				
Revenue				
Revenue from Exchange Transactions:				
Service Charges	804 941 296	29 076 402	834 017 698	
Rental of facilities & Equipment	1 160 660	469 504	1 630 164	
Interest earned outstanding debtors	7 200 004	-350 000	6 850 004	
Other Income	34 836 035	3 883 076	38 719 111	
Interest received - investments	23 004 914	7 020 302	30 025 216	
TOTAL REVENUE FROM EXCHANGE TRANSACTIONS	871 142 909	40 099 284	911 242 193	
Revenue from Non-Exchange Transactions:				
Taxation Revenue				
Property rates	430 790 801	20 499 998	451 290 799	
Property rates - penalties imposed		-	-	
Licences & permits (including agency fees)	9 892 919	750 000	10 642 918	
Transfer Revenue				
Government grants and subsidies	166 667 250	-1 616 645	165 050 605	
Public contributions and donations	-			
Fines	47 018 919	-8 699 750	38 319 169	
TOTAL REVENUE FROM NON-EXCHANGE TRANSACTIONS:	654 369 889	10 933 603	665 303 491	
Total Revenue	1 525 512 798	51 032 886	1 576 545 684	
Expenditure				
Employee Related Costs	376 583 010	8 474 702	385 057 712	
Remuneration of Councillors	23 182 405	-	23 182 405	
Depreciation, amortisation and impairment / reversal of impairment	85 000 000	1 000 000	86 000 000	
Finance Costs	23 786 250	1	23 786 251	
Debt Impairment	45 529 176	-37 394 846	8 134 330	
Bulk purchases	633 019 363	-9 357 032	623 662 331	
Contracted services	150 759 733	33 693 957	184 453 690	
Loss on disposal of assets	-	-	-	
Other Expenditure	186 607 855	35 035 677	221 643 532	
Transfers and subsidies	300 000	19 976 389	20 276 389	
Total Expenditure	1 524 767 793	51 428 847	1 576 196 640	

		30 JUNE 2019 FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	PERCENTAGE VARIANCE	NOTE REFERENCE
	R	R	R	R	R	R
	-	834 017 698	868 459 465	34 441 767	4%	
	-	1 630 164	1 226 997	-403 167	-25%	
	-	6 850 004	6 347 681	-502 323	-7%	
	-	38 719 111	51 525 309	12 806 198	33%	58.1
	-	30 025 216	40 733 867	10 708 651	36%	58.2
	-	911 242 193	968 293 320	57 051 127		
	-	451 290 799	441 683 306	-9 607 493	-2%	
	-	-	14 684 033	14 684 033	100%	58.4
	-	10 642 918	11 136 751	493 833	5%	
	-	-				
	-	-				
	-	165 050 605	163 580 858	-1 469 747	-1%	
	-	-	27 675 743	27 675 743	100%	58.3
	-	38 319 169	12 779 409	-25 539 760	-67%	58.5
	-	665 303 491	671 540 100	6 236 609		
	-	1 576 545 684	1 639 833 421	63 287 736		
	385 151 321	385 151 321	362 790 990	-22 360 331	-6%	
	-	23 182 405	22 293 002	-889 403	-4%	
	-	86 000 000	70 863 380	-15 136 621	-18%	58.7
	-	23 786 251	22 222 847	-1 563 404	-7%	
	-	8 134 330	48 085 706	39 951 376	491%	58.6
	-	623 662 331	630 488 802	6 826 471	1%	
	184 324 862	184 324 862	154 749 106	-29 575 756	-16%	58.8
	-	-	3 523 949	3 523 949	100%	58.10
	221 678 749	221 678 749	152 922 249	-68 756 500	-31%	58.9
		20 276 389				
	-	1 576 196 638	1 467 940 030	-87 980 219		

AUDITED STATEMENT OF COMPARISON OF BUDGET & ACTUAL AMOUNTS (PLEASE REFER TO NOTE 59) ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	APPROVED BUDGET	ADJUSTMENTS	ADJUSTMENTS BUDGET	
	R	R	R	
Statement of Financial Performance ...continued				
Operating Surplus				
Transfers recognised - capital	63 051 750	8 909 645	71 961 395	
Contributions recognised - capital	8 201 501	-6 901 501	1 300 000	
Fair Value Adjustments	-	-	-	
	71 253 251	2 008 144	73 261 395	
Surplus before taxation	71 998 256	1 612 184	73 610 440	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement				
Surplus for the year	71 998 256	1 612 184	73 610 440	
Funding of Capital				
Non-Current Assets				
Transfers recognised - capital	76 093 037	2 301 645	78 394 682	
Internally generated funds	191 482 707	-49 975 263	141 507 444	
Public Contributions and Donations	-	-	-	
Borrowings	77 186 000	-60 334 250	16 851 750	
Total Sources of capital funds	344 761 744	-108 007 868	236 753 876	
Cash Flow Statement				
Cash flows from operating activities				
Payments				
Net cash from/(used) - Operating activities	88 511 099	160 557	88 671 656	
Cash flows from investing activities				
Net cash from/(used) - Investing activities	-242 207 720	103 738 127	-138 469 593	
Net increase/(decrease) in cash and cash equivalents	-88 346 942	47 078 011	-41 268 931	
Net cash from/(used) - Financing activities	65 349 679	-56 820 673	8 529 006	
Cash/cash equivalents at the year end	191 665 896	170 973 186	362 639 082	

		30 JUNE 2019 FINAL BUDGET	ACTUAL AMOUNTS	DIFFERENCE BETWEEN FINAL BUDGET AND ACTUAL	PERCENTAGE VARIANCE	NOTE REFERENCE
	R	R	R	R	R	R
	-	71 961 395	65 554 279	-6 407 116		
	-	1 300 000	6 368 673	5 068 673		
	-	-	4 850 000	4 850 000		
	-	73 261 395	76 772 952	3 511 557		
	-	73 610 442	248 666 343	154 779 512		
	-	73 610 442	248 666 343	154 779 512		
	-	78 394 682	65 554 279	-12 840 403		
	-	141 507 444	77 933 762	-63 573 682		
	-	-	6 368 673	6 368 673		
	-	16 851 750	-	-16 851 750		
	-	236 753 876	149 856 714	-86 897 162	-37%	58.11
		80 003 932	345 947 035	265 943 104		
	-	-138 469 593	-175 718 310	-37 248 717		
	-	-41 268 931	162 031 164	203 300 095		
	-	8 529 006	-8 197 561	-16 726 567		
		189 977 001	565 939 178	375 962 177		

ACCOUNTING POLICIES

AS AT 30 JUNE 2019

1. BASIS OF PRESENTATION

The Unaudited Annual Financial Statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 112(3) of the Municipal Finance Management Act (Act 56 of 2003).

These unaudited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand

THE MINISTER HAS DETERMINED THE FOLLOWING STANDARDS OF GRAP FOR MUNICIPALITIES.

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GRAP 4	The effects of Changes in Foreign Exchange Rates
GRAP 5	Borrowing Costs
GRAP 6	Consolidated and Separate Financial Statements
GRAP 7	Investments in Associates
GRAP 8	Investment in Joint Ventures
GRAP 9	Revenue from Exchange Transactions
GRAP 10	Financial Reporting in Hyperinflationary Economics
GRAP 11	Construction Contracts
GRAP 12	Inventories
GRAP 13	Leases
GRAP 14	Events after the Reporting Date
GRAP 16	Investment Property
GRAP 17	Property, Plant and Equipment
GRAP 19	Provisions, Contingent Liabilities and Contingent Assets
GRAP 21	Impairment of Non-cash generating Assets
GRAP 23	Revenue from Non-exchange Transactions (Taxes and Transfers)
GRAP 24	Presentation of Budget Information in Financial Statements
GRAP 25	Employee Benefits
GRAP 26	Impairment of Cash Generating Assets
GRAP 27	Agriculture
GRAP 31	Intangible Assets
GRAP 100	Discontinued Operations
GRAP 103	Heritage Assets
GRAP 104	Financial Instruments
GRAP 105	Transfers of Function between Entities under Common Control
GRAP 106	Transfers of Function between Entities Not under Common Control
GRAP 107	Mergers

In addition the municipality has applied all the other Interpretation Standards and directives determined by the Minister in the updated Directive 5.

1.1 CHANGES IN ACCOUNTING POLICY AND COMPARABILITY

Changes in accounting policies due to adoption of newly effective Standards of GRAP have been applied retrospectively in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the change in policy or where allowed transitional provisions had been adopted. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Errors are corrected retrospectively in the period in which the error has occurred in accordance with GRAP 3 requirements, except to the extent that it is impracticable to determine the period-specific effects or the cumulative effect of the error. In such cases the municipality would restate the opening balances of assets, liabilities and net assets for the earliest period for which retrospective restatement is practicable.

The municipality changes an accounting policy only if the change:

- is required by a Standard of GRAP; or
- results in the financial statements providing reliable and more relevant information about the effects of transactions, other events or conditions on the performance or cash flow.

1.2 COMPARATIVE INFORMATION

When the presentation or classification of items in the Annual Financial Statements is amended, prior period comparative amounts are reclassified. The nature and reasons for the reclassification are disclosed.

1.3 PRESENTATION OF BUDGET INFORMATION IN THE FINANCIAL STATEMENTS

The municipality presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate statement called the 'Statement of Comparison of Budget and Actual Amounts'. This statement compares the budget amounts with the amounts in the financial statements adjusted to be on a comparable basis. The comparison of budget and actual amounts presents separately for each level of legislative oversight the following:

- ▶ the approved and final budget amounts;
- ▶ the actual amounts; and
- ▶ by way of note disclosure, an explanation of material differences between the budget for which the municipality is held publicly accountable and actual amounts, unless such explanation is included in other public documents issued in conjunction with the financial statements, and a cross reference to those documents is made in the notes.

1.4 CRITICAL JUDGMENTS, ESTIMATIONS AND ASSUMPTIONS

The following are the critical judgments, apart from those involving estimations, that the management has made in the process of applying the municipality's Accounting Policies and that have the most significant effect on the amounts recognised in Annual Financial Statements:

REVENUE RECOGNITION

Accounting Policy 1.22 on Revenue from Exchange Transactions and Accounting and Revenue from Non-exchange Transactions describes the conditions under which revenue will be recorded by the management of the municipality.

In making their judgement, the management considered the detailed criteria for the recognition of revenue as set out in GRAP 9: Revenue from Exchange Transactions and GRAP 23: Revenue from Non-exchange Transactions. In particular when services are rendered, whether the service has been rendered. The management of the municipality is satisfied that recognition of the revenue in the current year is appropriate.

FINANCIAL ASSETS AND LIABILITIES

The classification of financial assets and liabilities into categories is based on relevant accounting standards as assessed by management.

IMPAIRMENT OF FINANCIAL ASSETS

Accounting Policy 1.15.4 on Impairment of Financial Assets describes the process followed to determine the value by which financial assets should be impaired. In making the estimation of the impairment, the management of the municipality considered the detailed criteria of impairment of financial assets as set out in GRAP 104: Financial Instruments. The management of the municipality is satisfied that the impairment of financial assets recorded during the year, is appropriate.

USEFUL LIVES OF PROPERTY, PLANT AND EQUIPMENT ("PPE")

As described in Accounting Policies 1.12.3 and, 1.13.2 the municipality depreciates/amortises its property, plant and equipment, and intangible assets over the estimated useful lives of the assets, taking into account the residual values of the assets at the end of their useful lives, which is determined when the assets are available for use. The useful lives and residual values of the assets are based on industry knowledge.

IMPAIRMENT: WRITE DOWN OF PPE AND INVENTORIES

Significant estimates and judgments are made relating to PPE impairment tests and write down of inventories to net realisable values.

DEFINED BENEFIT PLAN LIABILITIES

As described in Accounting Policy 1.18, the municipality obtains actuarial valuations of its defined benefit plan liabilities. The defined benefit obligations of the municipality that were identified are Post-retirement Health Benefit Obligations and Long-service Awards. The estimated liabilities are recorded in accordance with the requirements of GRAP 25 Employee Benefits. Details of the liabilities and the key assumptions made by the actuaries in estimating the liabilities are provided in Note 6 to the Annual Financial Statements.

Multi-employer defined benefit funds are accounted for as defined contribution plan as set out in note 6.

IMPLEMENTATION OF MUNICIPAL STANDARD CHART OF ACCOUNTS

The municipality has with effect from 1 July 2017 implemented the Municipal Standard Chart of Accounts as a result of the legislative requirements. The main aim of this reform is to ensure a standard approach to classification of various accounting transactions within the local government sphere.

Where required the implementation thereof will result in the re-classification of certain line items according to management's best estimate in order to provide the users information on a more credible and comparable basis. The first time implementation is regarded as an anomalous event due its uniqueness and legislative origins.

1.5 PRESENTATION CURRENCY

These audited Annual Financial Statements are presented in South African Rand, which is the functional currency of the municipality.

1.6 GOING CONCERN ASSUMPTION

These audited Annual Financial Statements have been prepared based on the expectation that the municipality will continue to operate as a going concern basis for at least the next 12 months.

1.7 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset, except when offsetting is required or permitted by a Standard of GRAP.

1.8 STANDARDS AND INTERPRETATIONS ISSUED, BUT NOT YET EFFECTIVE

The municipality has not applied the following standards and interpretations as listed below.

GRAP 32: SERVICE CONCESSION ARRANGEMENTS: GRANTOR

The objective of this Standard is to prescribe the accounting for service concession arrangements by the grantor, a public sector entity.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for service concession arrangements.

Arrangements within the scope of this Standard involve the operator providing a mandated function related to the service concession asset on behalf of the grantor. The operator providing the mandated function can either be a private party or another public sector entity.

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Arrangements outside the scope of this Standard are those that do not involve the delivery of a mandated function and arrangements that involve the provision or management of services where the asset is not controlled by the grantor (e.g., outsourcing, service contracts, or privatisation).

GRAP 108: STATUTORY RECEIVABLES

The objective of this Standard is to prescribe accounting requirements for the recognition, measurement, presentation and disclosure of statutory receivables.

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in accounting for statutory receivables.

This Standard does not apply to the following receivables, except if indicated otherwise:

- ▶ Receivables and any other financial assets that arise from contractual arrangements to which the Standard of GRAP on Financial Instruments applies.
- ▶ Receivables to which the Standard of GRAP on Leases applies.
- ▶ Insurance contracts as defined in the International Financial Reporting Standard on Insurance Contracts.

Statutory receivables can arise from both exchange and non-exchange transactions. Where these receivables arise from exchange and non-exchange revenue transactions, an entity shall apply the recognition and initial measurement requirements of the Standards of GRAP on Revenue from Exchange Transactions and Revenue from Non-exchange Transactions (Taxes and Transfers), as well as the requirements of this Standard.

GRAP 109: ACCOUNTING BY PRINCIPALS AND AGENTS

The objective of this Standard is to outline principles to be used by an entity to assess:-

- ▶ Whether it is party to a principal-agent arrangement, and
- ▶ Whether it is a principal or an agent in undertaking transactions in terms of such an arrangement.

The principal-agent arrangement results from a binding agreement in which one entity (an agent) undertakes transactions with third parties on behalf, and for the benefit of, another entity (principal).

An entity that prepares and presents financial statements under the accrual basis of accounting shall apply this Standard in determining whether it is principal or an agent in a principal-agent arrangement.

This standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements but do however:-

- ▶ Provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal; as well as
- ▶ Prescribe what information should be disclosed when an entity is a principal or an agent (i.e. applying GRAP standards other than GRAP 109 to deal with the recognition and measurement of revenue, expenses, assets and/or liabilities).

IGRAP 17 Service Concession Arrangements where the Grantor controls a significant residual interest in an asset

The Standard of GRAP on Service Concession Arrangements: Grantor requires the grantor to recognise a service concession asset provided by the operator and an upgrade to an existing asset of the grantor if:

- ▶ The grantor controls or regulates what services the operator must provide with the asset, to whom it must provide them, and at what price; and
- ▶ The grantor controls—through ownership, beneficial entitlement or otherwise—any significant residual interest in the asset at the end of the term of the arrangement.

If one or both of these criteria are not met, the grantor needs to consider the principles in the Interpretation of the Standards of GRAP on Determining Whether an Arrangement Contains a Lease (IGRAP 3) to determine whether the arrangement constitutes a lease. The principles in the Standard of GRAP on Leases shall then be applied to determine whether the arrangement constitutes a finance lease or operating lease.

If the grantor concludes that the arrangement does not constitute a finance or an operating lease after considering the principles in the Interpretation of the Standards of GRAP on Determining Whether an Arrangement Contains a Lease and in the Standard of GRAP on Leases, the grantor shall consider the principles in the Framework for the Preparation and Presentation of Financial Statements in accounting for any revenue and expenses incurred in terms of the arrangement.

The Standard of GRAP on Service Concession Arrangements: Grantor applies to a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator providing the mandated function on behalf of the grantor can either be a private party or another public sector entity.

1.9 STANDARDS NOT YET EFFECTIVE BUT USED FOR DISCLOSURE PURPOSES

Council has adopted the following GRAP standard on related parties to determine its disclosure on related party relationships, transaction and balances.

GRAP 20: RELATED PARTY DISCLOSURES

The objective of this Standard of GRAP is to ensure that a municipality's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

This Standard of GRAP requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the municipality in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This Standard of GRAP also applies to individual financial statements.

This Standard of GRAP requires that only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are no more or no less favourable than the terms it would use to conclude transactions with another municipality, entity or person are disclosed.

The Standard of GRAP sets out the requirements, *inter alia*, for the disclosure of:

- ▶ control;
- ▶ related party transactions; and
- ▶ remuneration of management

No effective date has yet been determined by the Minister of Finance.

1.10 HOUSING OPERATING ACCOUNT

The Housing Operating Account was established in terms of the Housing Act, (Act No. 107 of 1997). Loans from National and Provincial Government used to finance housing selling schemes undertaken by the municipality were extinguished on 1 April 1998 and transferred to the Housing Operating Account. Housing selling schemes both complete and in progress as at 1 April 1998, were also transferred to the Housing Operating Account.

In terms of the Housing Act, all proceeds from housing developments, which include rental income and sales of houses, must be paid into the Housing Operating Account. Where the municipality experiences a nett loss on proceeds realised these are funded by the accumulated surplus. Monies standing to the credit of the Housing Operating Account can be used only to finance housing developments within the municipal area subject to the approval of the Provincial MEC responsible for housing.

1.11 INVESTMENT PROPERTY

1.11.1 INITIAL RECOGNITION

Investment property includes property (land or a building, or part of a building, or both land and buildings held under a finance lease) held to earn rentals and/or for capital appreciation, rather than held to meet service delivery objectives, the production or supply of services, or the sale of an asset in the ordinary course of operations.

At initial recognition, the municipality measures investment property at fair value including transaction costs once it meets the definition of investment property. However, where an investment property was acquired through a non-exchange transaction or at a nominal value its cost is its fair value as at the date of acquisition.

The cost of self-constructed investment property is the cost at date of completion.

Based on management's judgement, the following criteria have been applied to distinguish investment properties from owner occupied property or property held for resale:

- ▶ All properties held to earn market-related rentals or for capital appreciation or both and that are not used for administrative purposes and that will not be sold within the next 12 months are classified as Investment Properties;
- ▶ Land held for a currently undetermined future use. (If the municipality has not determined that it will use the land as owner-occupied property or for short-term sale in the ordinary course of business, the land is regarded as held for capital appreciation);
- ▶ Property that is being constructed or developed for future use as investment property
- ▶ A building owned by the municipality (or held by the municipality under a finance lease) and leased out under one or more operating leases; and
- ▶ A building that is vacant but is held to be leased out under one or more operating leases on a commercial basis to external parties.

ACCOUNTING POLICIES

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The following assets do not fall in the ambit of Investment Property and shall be classified as Property, Plant and Equipment, Inventory as appropriate:

- ▶ Property intended for sale in the ordinary course of operations or in the process of construction or development for such sale;
- ▶ Property being constructed or developed on behalf of third parties;
- ▶ Owner-occupied property, including (among other things) property held for future use as owner-occupied property, property held for future development and subsequent use as owner-occupied property, property occupied by employees such as housing for personnel (whether or not the employees pay rent at market rates) and owner-occupied property awaiting disposal;
- ▶ Property that is leased to another entity under a finance lease;
- ▶ Property held to provide a social service and which also generates cash inflows, e.g. property rented out below market rental to sporting bodies, schools, low income families, etc; and;
- ▶ Property held for strategic purposes or service delivery.

1.11.2. SUBSEQUENT MEASUREMENT - FAIR VALUE MODEL

Investment property is measured using the fair value model. Investment property is carried at fair value, representing open market value determined annually by external valuers at the reporting date. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. A gain or loss arising from a change in the fair value of investment property is included in surplus or deficit for the year.

The carrying amount of an investment property is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an investment property is included in surplus or deficit for the year when the asset is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (fair value) and the sales proceeds.

1.12 PROPERTY, PLANT AND EQUIPMENT

1.12.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of services, rental to others, or for administrative purposes, and are expected to be used during more than one year.

The cost of an item of property, plant and equipment is recognised as an asset if, and only if:

- ▶ it is probable that future economic benefits or service potential associated with the item will flow to the municipality, and
- ▶ if the cost of item can be measured reliably.

Property, plant and equipment are initially recognised at cost on its acquisition date or in the case of assets acquired by grant or donation, deemed cost, being the fair value of the asset on initial recognition. The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by the municipality. Trade discounts and rebates are deducted in arriving at the cost. The cost, where applicable, also includes the necessary costs of dismantling and removing the asset and restoring the site on which it was located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset is acquired by the municipality for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary assets or monetary assets, or a combination of monetary and non-monetary assets is measured at its fair value. If the acquired item could not be measured at its fair value, its cost is measured at the carrying amount of the asset given up.

Major spare parts and servicing equipment qualify as property, plant and equipment when the municipality expects to use them during more than one period. Similarly, if the major spare parts and servicing equipment can be used only in connection with an item of property, plant and equipment, they are accounted for as property, plant and equipment.

1.12.2 SUBSEQUENT MEASUREMENT

Subsequent expenditure relating to property, plant and equipment is capitalised if it is probable that future economic benefits or potential service delivery associated with the subsequent expenditure will flow to the municipality and the cost or fair value of the subsequent expenditure can be reliably measured. Subsequent expenditure incurred on an asset is only capitalised when it increases the capacity or future economic benefits associated with the asset. Where the municipality replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component.

Subsequently all property plant and equipment, are measured at cost (which includes deemed cost for previously unrecognised assets), less accumulated depreciation and accumulated impairment losses.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up is included in surplus or deficit when the compensation becomes receivable.

1.12.3 DEPRECIATION

Land is not depreciated as it is regarded as having an indefinite life. Depreciation of assets other than land is calculated, using the straight line method, to depreciate their cost to their residual values over the estimated useful lives of the assets. The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The depreciation rates are based on the following estimated useful lives.

Depreciation only commences when the asset is available for use, unless stated otherwise.

DETAILS	YEARS
Infrastructure	
Roads	10-45
Electricity	5-50
Storm Water	10-80
Solid Waste Disposal	10-45
Community	
Community and Recreation Facilities	5-50
Other Assets	2-50
Vehicles	3-10
Furniture and Fittings	3-5

The assets' residual values, estimated useful lives and depreciation method are reviewed annually, and adjusted prospectively if appropriate, at each reporting date.

1.12.4 WORK IN PROGRESS

Work in progress is stated at historical cost. Depreciation only commences when the asset is available for use.

1.12.5 FINANCE LEASES

Assets capitalised under finance leases are depreciated over their expected useful lives on the same basis as PPE controlled by the entity or where shorter, the term of the relevant lease.

1.12.6 INFRASTRUCTURE ASSETS

Infrastructure Assets are any assets that are part of a network of similar assets. Infrastructure assets are shown at cost less accumulated depreciation and accumulated impairment. Infrastructure assets are treated similarly to all other assets of the municipality.

1.12.7 DE-RECOGNITION OF PROPERTY, PLANT AND EQUIPMENT

The carrying amount of an item of property, plant and equipment is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an item of property, plant and equipment is included in surplus or deficit for the year when the item is derecognised.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated depreciation and accumulated impairment losses) and the sales proceeds.

1.12.8 IMPAIRMENT OF ASSETS

1.12.8.1 CASH - GENERATING ASSETS

IDENTIFICATION:

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

VALUE IN USE

Value in use of a cash generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

DISCOUNT RATE

The discount rate is a rate that reflects current market assessments of the time value of money, represented by the current risk free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

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RECOGNITION AND MEASUREMENT

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for cash-generating units if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

1.12.8.2 IMPAIRMENT OF NON-CASH GENERATING ASSETS

IDENTIFICATION

The municipality assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the municipality estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset no impairment is recognised.

VALUE IN USE

Value in use of an asset is the present value of the asset's remaining service potential.

The present value of the remaining service potential of an asset is determined using the following approach:

DEPRECIATED REPLACEMENT COST APPROACH:

The present value of the remaining service potential of a non cash generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the municipality would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

RECOGNITION AND MEASUREMENT

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

An impairment loss is recognised for non-cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- To the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

A municipality assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit for the year.

1.13 INTANGIBLE ASSETS

1.13.1 INITIAL RECOGNITION

Identifiable non-monetary assets without physical substance which are held for use in the production or supply of services, for rental to others, or for administrative purposes are classified and recognised as intangible assets. The municipality recognises an intangible asset only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality and the cost or fair value of the asset can be measured reliably.

Internally generated intangible assets are subject to strict recognition criteria before they are capitalised. Research expenditure is recognised as an expense when incurred.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life. Development assets are tested for impairment annually.

Intangible assets are initially recognised at cost. Where an intangible asset is acquired at no cost or for a nominal consideration, its cost is its fair value as at the date it is acquired. Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

The municipality does not recognise electricity servitudes arising from a legal right as intangible assets.

1.13.2 SUBSEQUENT MEASUREMENT, AMORTISATION AND IMPAIRMENT

Subsequently all intangible assets are measured at cost, less accumulated amortisation and accumulated impairment losses.

Amortisation is charged on a straight-line basis over the intangible assets' useful lives, which are estimated to be between 2 to 7 years. Where intangible assets are deemed to have an indefinite useful life, such intangible assets are not amortised, for example servitudes (excluding electricity servitudes) obtained by the municipality give the municipality access to land for specific purposes for an unlimited period - however, such intangible assets are subject to an annual impairment test.

Intangible assets are annually tested for impairment, including intangible assets not yet available for use. Where items of intangible assets have

been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified except where the impairment reverses a previous revaluation. The impairment loss is the difference between the carrying amount and the recoverable amount.

The estimated useful life and amortisation method are reviewed annually. Any adjustments arising from the annual review are applied prospectively as a change in accounting estimate in surplus or deficit for the year.

1.13.3 DE-RECOGNITION OF INTANGIBLE ASSETS

The carrying amount of an intangible asset is derecognised on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from de-recognition of an intangible asset is included in surplus or deficit when the asset is derecognised. Gains are not included in revenue.

Gains or losses are calculated as the difference between the net book value of assets (cost less accumulated amortisation and accumulated impairment losses) and the sales proceeds. This is included in surplus or deficit for the year as a gain or loss on disposal of intangible assets.

1.14 HERITAGE ASSETS

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to uncertainty regarding their estimated useful lives.

1.15 FINANCIAL INSTRUMENTS

The municipality has various types of financial instruments and these can be broadly categorised as either Financial Assets or Financial Liabilities.

1.15.1 FINANCIAL ASSETS - CLASSIFICATION

A financial asset is any asset consisting of cash or a contractual right to receive cash. The municipality has the following types of financial assets as reflected on the face of the Statement of Financial Position or in the notes thereto:

- ▶ Investments in Fixed Deposits (Banking Institutions, etc)
- ▶ Long-term Receivables
- ▶ Consumer Debtors
- ▶ Certain Other Debtors
- ▶ Short-term Investment Deposits
- ▶ Cash and Cash Equivalents

ACCOUNTING POLICIES

AS AT 30 JUNE 2019

In accordance with GRAP 104, the Financial Assets of the municipality are classified as follows into the three categories allowed by this standard:

TYPE OF FINANCIAL ASSET	CLASSIFICATION IN TERMS OF GRAP 104
Short-term Investment Deposits	Financial assets at amortised cost
Cash and Cash Equivalents	Financial assets at amortised cost
Long-term Receivables	Financial assets at amortised cost
Consumer Debtors	Financial assets at amortised cost
Other Debtors	Financial assets at amortised cost
Investments in Fixed Deposits	Financial assets at amortised cost

Financial assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months, which are classified as non-current assets.

Cash and cash equivalents include cash on hand (including petty cash) and cash with banks (including call deposits). Cash equivalents are short-term highly liquid investments, readily convertible into known amounts of cash that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. The municipality categorises cash and cash equivalents as financial assets: loans and receivables.

1.15.2 FINANCIAL LIABILITIES – CLASSIFICATION

A financial liability is a contractual obligation to deliver cash or another financial asset to another entity. The municipality has the following types of financial liabilities as reflected on the face of the Statement of Financial Position or in the notes thereto:

- Long-term Liabilities
- Certain Other Creditors
- Current Portion of Long-term Liabilities
- Consumer Deposits

In accordance with GRAP 104, the Financial Liabilities of the municipality are classified into the following category as allowed by this standard:

- Financial liabilities at amortised cost.

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs. These are subsequently measured at amortised cost using the Effective interest method, with interest expense recognised on an effective yield basis.

1.15.3 INITIAL AND SUBSEQUENT MEASUREMENT

1.15.3.1 FINANCIAL ASSETS:

Financial assets at amortised cost are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. Subsequently, these assets are measured at amortised cost using the Effective Interest Method less any impairment, with revenue recognised on an effective yield basis.

1.15.3.2 FINANCIAL LIABILITIES:

Financial Liabilities at amortised cost are initially measured at fair value net of transaction costs. Subsequently, these liabilities are measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Financial liabilities are recognised on the trade date at which the municipality becomes a party to the contractual provisions of the instrument.

1.15.4 IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed for indicators of impairment at reporting date. Financial assets are impaired where there is objective evidence of impairment of Financial Assets (such as the probability of insolvency or significant financial difficulties of the debtor). If there is such evidence the recoverable amount is estimated and an impairment loss is recognised in accordance with GRAP 104.

Initially Accounts Receivable are valued at fair value and subsequently carried at amortised cost using the effective interest rate method. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Amounts receivable within 12 months from the date of reporting are classified as current.

A provision for impairment of trade receivables is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The provision is made whereby the recoverability of Consumer Debtors is assessed individually or collectively after grouping the assets in financial assets with similar credit risk characteristics if individual assessment was not possible.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets and recognised in surplus or deficit for the year with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in surplus or deficit for the year.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through surplus or deficit for the year to the extent that the carrying amount of the instruments at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.15.5 DE-RECOGNITION OF FINANCIAL ASSETS

The municipality derecognises Financial Assets only when the contractual rights to the cash flows from the asset expire or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity, except when Council approves the write-off of Financial Assets due to non-recoverability.

If the municipality neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the municipality recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the municipality retains substantially all the risks and rewards of ownership of a transferred financial asset, the municipality continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

1.15.6 DE-RECOGNITION OF FINANCIAL LIABILITIES

The municipality derecognises Financial Liabilities when, and only when, the municipality's obligations are discharged, cancelled or they expire.

1.16 LEASES

THE MUNICIPALITY AS LESSEE

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment or Intangible Assets

subject to finance lease agreements are capitalised at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. Corresponding liabilities are included in the Statement of Financial Position as Finance Lease Liabilities. The corresponding liabilities are initially recognised at the inception of the lease and are measured as the sum of the minimum lease payments due in terms of the lease agreement, discounted for the effect of interest. In discounting the lease payments, the municipality uses the interest rate that exactly discounts the lease payments and unguaranteed residual value to the fair value of the asset plus any direct costs incurred. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to Property, plant, equipment or Intangible Assets. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred. The accounting policies relating to de-recognition of financial instruments are applied to lease payables. The lease asset is depreciated over the shorter of the asset's useful life or the lease term.

Operating leases are those leases that do not fall within the scope of the above definition. Operating lease rentals are recognised as an expense in surplus or deficit for the year on a straight-line basis over the term of the relevant lease.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

THE MUNICIPALITY AS LESSOR

Operating lease rental income is recognised on a straight-line basis over the term of the relevant lease.

1.17 INVENTORIES

Inventories comprising consumable stores, raw materials and finishing goods are initially measured at cost except where inventories are acquired at no cost, or for nominal consideration, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value, determined on the weighted average cost.

ACCOUNTING POLICIES

AS AT 30 JUNE 2019

Inventories are measured at the lower of cost and current replacement cost where they are held for:

- ▶ Distribution at no charge or for a nominal charge; or
- ▶ Consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Unsold properties represent unsold units in economic selling schemes where the net realisable value of each unit is either nil or a nominal amount. As a consequence of the passage of time the municipality is not in a position to determine the cost of such inventory. Furthermore, the use of current replacement cost would not only distort the statement of financial position by inflating the value of inventories but would also result in a credit to the Housing operating account contrary to section 14 of the Housing Act, 1997. Accordingly unsold properties are stated in the annual financial statements at net realisable value.

Redundant and slow-moving inventories are identified and written down from cost to net realisable value with regard to their estimated economic or realisable values.

1.18 EMPLOYEE BENEFITS

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The Standard of GRAP requires a municipality to recognise:

- ▶ a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- ▶ An expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

The Standard of GRAP states the recognition, measurement and disclosure requirements of:

- ▶ Short term employee benefits;
- ▶ All short term employee benefits;
- ▶ Short term compensated absences;
- ▶ Bonus, incentive and performance related payments;
- ▶ Post-employment benefits;
- ▶ Other long term employee benefits; and
- ▶ Termination benefits.

The municipality has adopted GRAP 25 Employee Benefits in the current year.

The objective of GRAP 25 is to prescribe the accounting and disclosure for employee benefits. The municipality has recognised:

- ▶ a liability when an employee has provided service in exchange for employee benefits to be paid in the future; and
- ▶ an expense when a municipality consumes the economic benefits or service potential arising from service provided by an employee in exchange for employee benefits.

This municipality recognises all actuarial gains and losses and past service costs immediately in the statement of financial performance once occurred.

SHORT-TERM EMPLOYEE BENEFITS

Remuneration to employees is recognised in surplus or deficit for the year as the services are rendered, except for non-accumulating benefits, which are only recognised when the specific event occurs.

The costs of all short-term employee benefits such as leave pay, are recognised during the period in which the employee renders the related service. The liability for leave pay is based on the total accrued leave days at year end and is shown as an accrual in the Statement of Financial Position. The municipality recognises the expected cost of performance bonuses only when the municipality has a present legal or constructive obligation to make such payment and a reliable estimate can be made.

PAST SERVICE COSTS

Past service costs are recognised immediately in surplus or deficit, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past-service costs are amortised on a straight-line basis over the vesting period.

POST-EMPLOYMENT BENEFIT: DEFINED CONTRIBUTION PLANS

Defined contribution plan is a plan under which the municipality pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee service in the current and prior periods.

The municipality's contributions to the defined contribution funds are established in terms of the rules governing those plans. Contributions are recognised in surplus or deficit for the year in which the service is rendered by the relevant employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available. The municipality has no further payment obligations once the contributions have been paid.

POST-EMPLOYMENT BENEFITS: DEFINED BENEFIT PLANS

Defined benefit plan is a post-employment benefit plan other than a defined contribution plans.

For defined benefit plans the cost of providing the benefits is determined using the projected unit credit method.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to surplus or deficit for the year in which they arise.

PENSION OBLIGATIONS

The municipality and its employees contribute to the Natal Joint Municipal Pension Fund (Superannuation, Retirement and Provident fund). The contributions to fund obligations for the payment of retirement benefits are charged against income in the year they become payable. Natal Joint Superannuation & Retirement Funds are defined benefit funds. The Natal Joint Provident Fund is a defined contribution funds.

The schemes are funded through payments to fund administrator or trustee-administered funds, determined by periodic actuarial calculations.

Defined benefit plans have been accounted for as defined contribution plans in accordance with the requirements on multi-employer plans where sufficient information is not available to account for such plans as defined benefit plans. As the fund administrators do not have sufficient information available to allocate the shortfall on liabilities to individual employers, no liability is recognised for any shortfall of fund asset as compared to fund liabilities. Any surcharges that may be levied by the fund from time to time in order to compensate for shortfalls, are recognised as expenses in the period in which they become payable to the fund. As surcharges are advised long in advance, based on actuarial valuations of the fund as a whole, the necessary provision for the payment thereof is made in the course of the municipality's normal budgeting processes."

*POST-RETIREMENT HEALTH CARE BENEFITS:

The municipality has an obligation to provide Post-retirement Health Care Benefits to certain of its retirees. According to the rules of the Medical Aid Funds, with which the municipality is associated, a member (who is on the current Conditions of Service), on retirement, is entitled to remain a continued member of the Medical Aid Fund, in which case the municipality is liable for a certain portion of the medical aid membership fee.

The defined benefit liability is the aggregate of the present value of the defined benefit obligation and recognised actuarial gains and losses, adjusted by past service costs where applicable. The plan is unfunded. The present value of the defined benefit obligation is calculated using the projected unit credit method, incorporating actuarial assumptions and an appropriate discount rate. Valuations of these obligations are carried out every year by independent qualified actuaries.

Actuarial gains or losses are accounted for in full and are recognised in the Statement of Financial Performance.

*LONG-SERVICE ALLOWANCE

The municipality has an obligation to provide Long-service Allowance Benefits to all of its employees. According to the rules of the Long-service Allowance Scheme, which the municipality instituted and operates,

an employee (who is on the current Conditions of Service), is entitled to a cash allowance, as well as additional once-off leave calculated in terms of the rules of the scheme, after 10, 15, 20, 25, 30, 35, 40 and 45 years of continued service.

The municipality's liability is based on an actuarial valuation. The projected unit credit method has been used to value the liabilities. Actuarial gains and losses on the long-term incentives are accounted for in surplus or deficit for the year.

Actuarial gains or losses are accounted for in full and are recognised in surplus or deficit for the year.

1.19. PROVISIONS

Provisions are recognised when:

- ▶ the municipality has a present or constructive obligation as a result of past events,
- ▶ it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- ▶ a reliable estimate can be made of the obligation.

Future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

Provisions are reviewed at reporting date and the amount of a provision is the present value of the expenditure expected to be required to settle the obligation. When the effect of discounting is material, provisions are determined by discounting the expected future cash flows that reflect current market assessments of the time value of money. The impact, if any, of the periodic unwinding of the discount is recognised in the Statement of Financial Performance as a finance cost as it occurs.

1.20 CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in the notes to the annual financial statements.

1.21 CAPITAL COMMITMENTS

In terms of GRAP 17, contractual commitments are disclosed for all assets. The commitment is measured at the value of the contract less amounts paid until year end. Where contracts or letters of awards have been issued, this is classified as an approved and contracted commitment.

ACCOUNTING POLICIES

AS AT 30 JUNE 2019

1.22 REVENUE RECOGNITION

REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to the municipality directly in return for services rendered / goods sold, the value of which approximates the consideration received or receivable.

Revenue comprises the fair value of the consideration received or receivable for the sale or rendering of services in the ordinary course of the municipality's activities. Revenue is shown net of value-added tax, returns, rebates and discounts.

The municipality recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits or service potential will flow to the municipality and when specific criteria have been met for each of the municipality's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The municipality bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where the municipality received revenue from another entity without directly giving approximately equal value in exchange. Revenue from non-exchange transactions is recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount.

REVENUE FROM EXCHANGE TRANSACTIONS

SERVICE CHARGES

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption, based on the consumption history, are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced, except at year-end when estimates of consumption up to year-end are recorded as revenue without being invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. In respect of estimates of consumption between the last reading date and the reporting date, an accrual is made based on the average monthly consumption of consumers.

Service charges relating to refuse removal are recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the number of refuse containers on each property.

In circumstances where services cannot readily be measured and quantified, a flat rate service charge is levied monthly on such properties.

PRE-PAID ELECTRICITY

Revenue from the sale of electricity pre-paid meter cards are recognised at the point of sale. Revenue from the sale of electricity prepaid meter cards made in the last month of the financial year is recognised based on an estimate of the prepaid electricity consumed as at the reporting date with reference to the consumption patterns of the individual users.

FINANCE INCOME

Interest earned on investments is recognised in surplus or deficit for the year on the time proportionate basis that takes into account the effective yield on the investment.

TARIFF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

RENTALS

Revenue from the rental of facilities and equipment classified as operating leases is recognised on a straight-line basis over the term of the lease agreement where material, where such lease periods span over more than one financial year.

1.23 REVENUE FROM NON-EXCHANGE TRANSACTIONS

RATES AND TAXES

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis with reference to the principal amount receivable and effective interest rate applicable. A composite rating system charging different rate tariffs is employed. Rebates are granted to certain categories of ratepayers and are deducted from revenue.

FINES

Fines constitute both spot fines and summonses.

Revenue from traffic fines is initially measured on the value stipulated on the notice, summons or equivalent document.

The revenue from traffic fines is subject to further judicial process which is outside the municipality's control. These reductions are not considered in measuring the revenue and receivable on initial recognition. This is because of the high degree of uncertainty in estimating the likely outcome of this process. Once this separated process has been concluded, any reductions are accounted for as a change in estimated revenue and in accordance with IGRAP1.

PUBLIC CONTRIBUTIONS

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment are brought into use. Revenue is recognised at the fair value of the consideration received. Where public contributions have been received and the municipality has not met the condition, a liability is recognised.

REVENUE FROM RECOVERY OF UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain. Such revenue is based on legislated procedures.

TARIFF CHARGES

Revenue arising from the application of the approved tariff of charges is recognised when the relevant service is rendered by applying the relevant authorised tariff. This includes the issuing of licences and permits.

1.24 GOVERNMENT GRANTS AND RECEIPTS

Income received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied

with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met, a liability is recognised. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the municipality with no future related costs, are recognised as Accounts Receivable in the period in which they become receivable.

Interest earned on investments is treated in accordance with grant conditions. If it is payable to the funder it is recorded as part of the liability and if it is the municipality's interest it is recognised as interest earned in surplus of deficit for the year.

1.25 BORROWING COSTS

Borrowing cost are interest and other expenses incurred by an entity in connection with the borrowing of funds.

The municipality has opted to expense all borrowing costs.

1.26. CASH AND CASH EQUIVALENTS

Cash includes cash-on-hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdrafts are expensed as incurred

1.27 UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the Municipal Finance Management Act (Act No 56 of 2003). The definition thereof is more fully defined in the MFMA.

ACCOUNTING POLICIES

AS AT 30 JUNE 2019

1.28 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. The definition thereof is more fully defined in the MFMA.

1.29 IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No 56 of 2003), the Municipal Systems Act (Act No 32 of 2000), and the Public Office Bearers Act (Act No 20 of 1998) or is in contravention of the Municipality's or Municipal Entities' supply chain management policies. Irregular expenditure excludes unauthorised expenditure.

1.30 RELATED PARTIES

Individuals, including councillors, as well as their close family members, and/or entities are related parties if one party has the ability, directly

or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions. Key management personnel is defined as the Municipal Manager, Chief Financial Officer and all other managers reporting directly to the Municipal Manager or as designated by the Municipal Manager.

1.31 EVENTS AFTER THE REPORTING DATE

Events after the reporting date that have been classified as adjusting events have been accounted for in the Annual Financial Statements. The events after the reporting date that are classified as non-adjusting events after the reporting date have been disclosed in the notes to the Annual Financial Statements.

1.32 VALUE ADDED TAX

The Municipality accounts for Value Added Tax on the payments basis.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

	2019			2018		
	FAIR VALUE	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	FAIR VALUE	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
2. INVESTMENT PROPERTIES						
Investment Property	175 430 000	-	175 430 000	170 580 000	-	170 580 000
	175 430 000	-	175 430 000	170 580 000	-	170 580 000

	FAIR VALUE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
	R	R	R	R
Reconciliation of Investment Properties - 2019				
Investment Property	170 580 000	4 850 000	-	175 430 000
	170 580 000	4 850 000	-	175 430 000

	FAIR VALUE	FAIR VALUE ADJUSTMENTS	TRANSFERS	CLOSING BALANCE
	R	R	R	R
Reconciliation of Investment Properties - 2018				
Investment Property	164 485 000	6 095 000	-	170 580 000
	164 485 000	6 095 000	-	170 580 000

	2019			2018-RESTATED		
	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED DEPRECIATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
3. PROPERTY, PLANT AND EQUIPMENT						
Buildings	293 735 094	(78 425 429)	215 309 666	267 869 756	(63 928 263)	203 941 493
Solid Waste	6 476 193	(2 155 705)	4 320 489	5 542 881	(1 826 245)	3 716 636
Vehicles	71 073 240	(44 683 666)	26 389 574	67 529 065	(41 405 834)	26 123 231
Infrastructure Roads	913 628 702	(231 775 563)	681 853 140	843 354 754	(210 090 140)	633 264 615
Infrastructure Stormwater	261 321 120	(76 315 661)	185 005 459	234 548 659	(70 921 690)	163 626 967
Infrastructure Electrical	831 660 938	(253 793 045)	577 867 811	767 865 645	(235 611 120)	532 254 525
Furniture & Fittings	59 646 917	(45 709 492)	13 937 425	56 216 057	(41 290 014)	14 926 043
Cemeteries	14 504 261	(3 768 274)	10 735 987	33 449 966	(3 180 399)	30 269 566
Developed Land	140 821 724	-	140 821 724	141 787 924	-	141 787 924
Undeveloped Land	252 912 250	-	252 912 250	253 770 750	-	253 770 750
Housing	8 972 974	(7 058 195)	1 914 779	8 972 974	(6 655 829)	2 317 145
Leased Assets	3 302 526	(805 891)	2 496 635	331 622	(306 841)	24 781
		-	-	-	-	-
	2 858 055 941	(744 490 920)	2 113 564 939	2 681 240 054	(675 216 375)	2 006 023 678

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	OPENING BALANCE	ADDITIONS	ASSETS PREVIOUSLY NOT RECOGNISED	DONATIONS	
	R		R	R	
3. PROPERTY, PLANT AND EQUIPMENT ...continued					
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT-2019					
Buildings	203 941 492	26 206 028			
Solid Waste	3 716 636	754 312			
Vehicles	26 123 231	3 544 175			
Infrastructure Roads	633 264 614	71 624 403			
Infrastructure Stormwater	163 626 968	26 777 366			
Infrastructure Electrical	532 254 525	30 268 129		27 512 744	
Furniture & Fittings	14 926 043	3 213 724	67 209	162 999	
Cemeteries	30 269 567	(18 945 705)			
Developed Land	141 787 924	-			
Undeveloped Land	253 770 750	69 000			
Housing	2 317 145				
Leased Assets	24 780	2 977 194			
	2 006 023 678	146 488 626	67 209	27 675 743	

	OPENING BALANCE	ADDITIONS	COMPLETED PROJECTS	WRITE OFFS	
	R	R	R	R	
Classification of Assets Under Construction:					
Buildings	31 172 811	24 712 022	(22 617 359)	(340 690)	
Cemeteries	20 394 581	1 505 318	(20 451 023)	-	
Electricity	27 012 303	28 442 991	(15 469 215)	-	
Roads	72 775 094	79 251 266	(63 235 547)	(1 252 190)	
Solid Waste	282 865	251 509	-	-	
Total Assets under construction	151 637 654	134 163 107	(121 773 143)	(1 592 880)	

	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
	R	R	R	R	R	R	
			(340 690)	(14 256 402)	(240 764)		215 309 665
	179 000			(329 460)			4 320 488
				(3 277 832)			26 389 575
		(792 814)	(492 926)	(21 741 789)	(8 348)		681 853 140
		(328)		(5 035 680)	(362 868)		185 005 458
	6 014 421			(17 979 001)	(202 924)		577 867 812
			(2 440)	(4 426 142)	(25 365)	21 397	13 937 426
				(587 875)			10 735 987
		(966 200)		-			140 821 724
		(927 500)		-			252 912 250
				(402 366)			1 914 779
			(1 052)	(504 288)			2 496 634
	6 193 421	(2 686 841)	(837 108)	(68 540 836)	(840 269)	21 397	2 113 564 939

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	OPENING BALANCE	ADDITIONS	ASSETS PREVIOUSLY NOT RECOGNISED	DONATIONS	
	R		R	R	
3. PROPERTY, PLANT AND EQUIPMENT ...continued					
RECONCILIATION OF PROPERTY, PLANT AND EQUIPMENT-2018 (RESTATED)					
Buildings	178 910 786	37 124 506			
Solid Waste	3 440 093	587 151			
Vehicles	30 438 484	101 250			
Infrastructure Roads	575 601 694	82 693 849			
Infrastructure Stormwater	150 239 341	18 025 106			
Infrastructure Electrical	530 551 004	9 625 187		3 453 556	
Furniture & Fittings	16 978 079	2 378 771	90 909		
Cemeteries	42 479 625	(11 607 290)			
Developed Land	137 232 924	6 500 000			
Undeveloped Land	246 326 750	400 000		7 500 000	
Housing	2 757 890				
Leased Assets	61 619				
	1 915 018 290	145 828 532	90 909	10 953 556	

	COST AS AT 30 JUNE 2018	PRIOR YEAR ERROR CORRECTION	RESTATED COST AS AT 30 JUNE 2018
	R	R	R
Buildings AUC	31 172 811	-	31 172 811
Cemeteries AUC	20 394 581	-	20 394 581
Electricity AUC	27 012 303	-	27 012 303
Roads AUC	77 686 671	-4 911 576	72 775 094
Solid Waste AUC	282 865	-	282 865
Total Assets under construction	156 549 230	-4 911 576	151 637 654

	RECOGNITION OF EXPENSED ITEMS	DERECOGNITION OF ASSETS	ASSETS WRITTEN OFF	DEPRECIATION	IMPAIRMENT LOSS	IMPAIRMENT REVERSAL	CLOSING BALANCE
	R	R	R	R	R	R	
			(309 239)	(11 408 558)	(376 003)		203 941 492
				(310 608)	-		3 716 636
				(4 416 503)	-		26 123 231
			(207 796)	(20 541 807)	(4 281 325)		633 264 614
				(4 635 780)	(1 699)		163 626 968
	6 886 891		(1 233 118)	(17 460 620)	(421 197)	852 823	532 254 527
			(27 795)	(4 646 220)	-	152 300	14 926 043
				(602 769)	-		30 269 566
			(1 945 000)	-	-		141 787 924
			(456 000)	-	-		253 770 750
				(440 745)	-		2 317 145
			(10 860)	(25 978)	-		24 780
	6 886 891	-	(4 189 810)	(64 489 587)	(5 080 225)	1 005 123	2 006 023 678

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019			2018 RESTATED		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
4. INTANGIBLE ASSETS						
Intangible Assets	21 178 828	(18 716 200)	2 462 628	21 178 828	(17 212 528)	3 966 301
Intangible Assets - Under Development	878 938	-	878 938	878 938	-	878 938
	22 057 766	(18 716 200)	3 341 566	22 057 766	(17 212 528)	4 845 240

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	CLOSING BALANCE
	R	R	R	R	R	R
Reconciliation of Intangible Assets - 2019						
Intangible Assets	3 966 300	-	-	-	(1 503 672)	2 462 628
Intangible Assets - Under Development	878 938	-	-	-	-	878 938
	4 845 240	-	-	-	(1 503 672)	3 341 566

	OPENING BALANCE	ADDITIONS	ASSET UNDER CONSTRUCTION BROUGHT INTO USE	ASSETS WRITTEN OFF	AMORTISATION	CLOSING BALANCE
	R	R	R	R	R	R
Reconciliation of Intangible Assets - 2018						
Intangible Assets	6 384 382	-	440 000	-	(2 858 078)	3 966 302
Intangible Assets - Under Development	1 318 938	-	(440 000)	-	-	878 938
	7 703 320	-	-	-	(2 858 078)	4 845 240

	2019			2018		
	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE	COST	ACCUMULATED AMORTISATION AND IMPAIRMENT	CARRYING VALUE
	R	R	R	R	R	R
5. HERITAGE ASSETS						
Historical Monuments	105 386	-	105 386	105 386	-	105 386
	105 386	-	105 386	105 386	-	105 386

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

6. EMPLOYEE BENEFIT OBLIGATIONS

6.1 Pension benefits

The Municipality's personnel are members of one of the Natal Joint Municipal Pension retirement funds, namely the Superannuation, Retirement and Provident Funds. As the aforementioned funds are multi-employer funds, the allocation of any surplus/deficit to individual municipalities cannot be determined. Furthermore disclosure of further details such as actuarial assumptions, cannot be attributed to any specific municipality and is of no relevance to users of the municipality's financial statements.

Superannuation

The interim valuation carried out on the Superannuation Fund as at 31 March 2018 reflected:

The valuation reveals that the total fund is 100% funded on the "best estimate basis" as at the valuation date, but that it is not fully funded on the "financial soundness" basis incorporating a Solvency Reserve. In terms of the scheme, the valuator recommends that the surcharge continue to be paid in order to build up the Solvency Reserve to the full theoretical level. This Reserve is to protect the fund against adverse experience on the active member liabilities and assets. The valuator is satisfied that the asset composition on the valuation date is appropriate to the nature of the liabilities and that the investment strategy of the Fund is suitable for the fund. In his view the Fund is in a sound financial position as at the valuation date.

Provident Fund

The interim valuation carried out on the Provident Fund as at 31 March 2018 reflected: The fund is 98.2% funded as at the valuation date.

The valuer is satisfied that the asset composition on the valuation date is appropriate to the nature of the liabilities and that the investment strategy of the Fund is suitable for the fund.

The fund is of a sound financial position as at 30 June 2018.

Retirement Fund

The latest statutory valuation of the Retirement Fund (defined benefit) as at 31 March 2018 reflected:

The fund is 96.2% funded on the "best estimate" funding basis as at the valuation date, and is not fully funded on the alternative bases as set out in PF Notice No. 2 of 2016. The recommendation is that the current surcharge of 21.65% be increased 35% of pensionable salaries with effect from 01 November 2018. The fund self insures its risk benefits. The view of the consultant is that the Fund is not in a sound position as at the valuation date. Based on the increase in the surcharge, the deficit is expected to be eliminated within the period allowed in the "Scheme to Eliminate Deficiency".

6.2 Post-employment medical benefits

The municipality operates on 5 accredited medical aid schemes, namely Bonitas, Key Health, LA Health, Samwumed and HosMed.

Pensioners continue on the option they belonged to on the day of their retirement. The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for post-employment medical aid benefits a number of assumptions are required as per GRAP 25. APN 30 states that the assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2019	2018 RESTATED
	R	R
Discount rate per annum	9,49%	9,63%
Health care cost inflation rate	6,93%	7,40%
Net effective discount rate	2,39%	2,08%
Average retirement age	62	63
Proportion continuing membership at retirement	75%	100%
Mortality during employment	SA 85-90	SA 85-90
Mortality post-retirement	PA (90)-1	PA (90)
(No explicit assumption was made about additional mortality or health care costs due to AIDS).		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019		2018 RESTATED	
	MALES	FEMALES	MALES	FEMALES
6. EMPLOYEE BENEFIT OBLIGATIONS ...continued				
Age 20 - 24	9%	9%	16%	24%
Age 25 - 29	8%	8%	12%	18%
Age 30 - 34	6%	6%	10%	15%
Age 35 - 39	5%	5%	10%	8%
Age 40 - 44	5%	5%	6%	6%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	2%	2%
Age 55 - 59	0%	0%	1%	1%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the post-employment liabilities. A discount rate of 9.49% per annum has been used. The corresponding index-linked yield at this term is 3.38%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the Johannesburg Stock Exchange after the market close on 28 June 2019.

	2019	2018 RESTATED
	R	R
The amounts recognised in the Statement of Financial Position were determined as being the present value of the obligation:	93 806 315	94 726 280
Movement in the defined benefit obligation is as follows:		
Balance at beginning of the year	94 726 280	90 463 111
Current service cost	3 845 842	4 025 273
Interest cost	8 983 517	8 708 641
Benefit payments	(2 946 714)	(2 630 674)
Actuarial (gains)/losses	(10 802 610)	(5 840 071)
Balance at end of year	93 806 315	94 726 280
The amounts recognised in the Statement of Financial Performance were as follows:		
Current service cost	3 845 842	4 025 273
Interest cost	8 983 517	8 708 641
Benefit payments	(2 946 714)	(2 630 674)
Actuarial (gains)/losses	(10 802 610)	(5 840 071)
TOTAL	(919 965)	4 263 169

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

SENSITIVITY ANALYSIS

The results presented are based on a number of assumptions. The extent to which the actual liability faced in the future by the Municipality differs from these results, will depend on the extent to which actual experience differs from the assumptions made.

The assumption which tends to have the greatest impact on the results is the rate of health care cost inflation relative to the discount rate.

SENSITIVITY RESULTS

The liability at the Valuation Date was recalculated to show the effect of:

- (1) A 1% increase and decrease in the assumed rate of health care cost inflation;
- (2) A 1% increase and decrease in the discount rate;
- (3) A one-year age reduction in the assumed rates of post-retirement mortality;
- (4) A one-year decrease in the assumed average retirement age
- (5) A 10% decrease in the assumed proportion of in-service members that continue to receive the subsidy after retirement.

Sensitivity Analysis on the Accrued Liability

ASSUMPTION	CHANGE	IN-SERVICE MEMBERS	RETIRED MEMBERS	TOTAL	% CHANGE
Central assumptions		53.044	40.762	93.806	
Health care inflation rate	+1%	58.886	43.117	102.004	9%
	-1%	45.766	37.939	83.705	-11%
Discount rate	+1%	43.418	37.099	80.517	-14%
	-1%	65.676	45.107	110.782	18%
Post-employment mortality	-1 yr	54.357	42.002	96.360	3%
Average retirement age	-1 yr	55.899	40.762	96.661	3%
Continuation of membership at retirement	-10%	46.603	40.762	87.365	-7%

Note: The post-retirement mortality adjustment assumes that someone aged 70 will experience the mortality of someone aged 69. The liability is expected to increase under this scenario because members are expected to live longer.

The table above indicates, for example, that if medical inflation is 1% greater than the long-term assumption made, the liability will be 9% higher than that shown.

Table 2 summarises the results of this analysis on the Current - service and Interest Costs

Sensitivity Analysis on Current-service and Interest Costs

ASSUMPTION	CHANGE	CURRENT SVC. COST	INTEREST COST	TOTAL	% CHANGE
Central assumptions		3 845 800	3 983 500	12 829 300	
Health care inflation rate	+1%	4 250 500	9 693 100	13 943 600	9%
	-1%	3 263 600	8 075 400	11 339 000	-12%
Discount rate	+1%	3 040 100	8 480 300	11 520 400	-10%
	-1%	4 921 900	9 531 100	14 453 000	13%
Post-employment mortality	-1 yr	3 949 200	9 249 100	13 198 300	3%
Average retirement age	-1 yr	4 023 600	9 280 200	13 303 800	4%
Continuation of membership at retirement	-10%	3 500 600	8 469 900	11 970 500	-7%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

HISTORY OF LIABILITIES, ASSETS AND EXPERIENCE ADJUSTMENTS

The following table summarises the accrued liabilities and the plan assets for the current period and the previous four periods.

History of liabilities and assets (R millions)

LIABILITY HISTORY	30/06/2015	30/06/2016	30/06/2017	30/06/2018	30/06/2019
Accrued liability	66.818	84.223	90.463	94.726	93.806
Fair value of plan asset	0.000	0.000	0.000	0.000	0.000
Surplus / (Deficit)	(66.818)	(84.223)	(90.463)	(94.726)	(93.806)

6.3 Long service awards and retirement gifts

The independent valuers, Arch Actuarial Consulting, carry out a statutory valuation on an annual basis.

The principal actuarial assumptions used were as follows:

In estimating the liability for long service leave benefits, a number of assumptions are required as per GRAP 25. These assumptions should be realistic and mutually compatible. The most relevant actuarial assumptions used in this valuation are discussed below.

	2019	2018 RESTATED
	R	R
Discount rate per annum	8.21%	8.63%
General Salary Inflation (long term)	5.59%	6.22%
Net effective discount rate	2.48%	2.27%
Examples of mortality rates used were as follows:		
Average retirement age	62 years	63 years
Mortality during employment	SA85-90	SA85-90

	2019		2018 RESTATED	
Members withdrawn from service:	MALES	FEMALES	MALES	FEMALES
Age 20 - 24	9%	9%	16%	24%
Age 25 - 29	8%	8%	12%	18%
Age 30 - 34	6%	6%	10%	15%
Age 35 - 39	5%	5%	8%	10%
Age 40 - 44	5%	5%	6%	6%
Age 45 - 49	4%	4%	4%	4%
Age 50 - 54	3%	3%	2%	2%
Age 55 - 59	0%	0%	1%	1%
Age 60+	0%	0%	0%	0%

Discount Rate:

GRAP 25 stipulates that the choice of this rate should be derived from government bond yields consistent with the estimated term of the employee benefit liabilities. A discount rate of 8.21% per annum has been used. The first step in the derivation of this yield is to calculate the liability-weighted average of the yields corresponding to the actual terms until payment of long service awards, for each employee. The 8.21% is then derived as the liability-weighted average of the yields derived in the first step. The corresponding liability-weighted index-linked yield is 2.98%. These rates do not reflect any adjustment for taxation. These rates were deduced from the interest rate data obtained from the JSE after the market close on 28 June 2019.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
6. EMPLOYEE BENEFIT OBLIGATIONS ...continued		
The amounts recognised in the Statement of Financial Position were determined as follows:		
Present value of funded obligations		
Fair value of plan assets		
Liability in the Statement of Financial Position	21 086 875	17 292 602
Movement in the defined benefit obligation is as follows:		
Balance at beginning of the year	17 292 602	14 692 321
Current service cost	1 542 837	1 412 961
Interest cost	1 420 327	1 153 016
Actuarial (Gain)/losses	1 898 485	511 304
Benefit payments	(1 704 438)	(2 247 862)
Past service costs	637 062	-
Allowances for Pro-Rata leave awards	-	1 770 862
Balance at end of year	21 086 875	17 292 602
The amounts recognised in the Statement of Financial Performance were as follows:		
Current service cost	1 542 837	1 412 961
Interest cost	1 420 327	1 153 016
Actuarial (Gain)/losses	1 898 485	511 304
Benefit payments	(1 704 438)	(2 247 862)
Past service cost	637 062	-
Allowances for Pro-Rata leave awards	-	1 770 862
TOTAL	3 794 273	2 600 281
In conclusion:		
Statement of Financial Position obligation for:		
Post-employment medical benefits	93 806 315	94 726 280
Current Portion	3 048 712	2 946 714
Non- Current Portion	90 757 603	91 779 566
Long Service Award	21 086 875	17 292 602
Current Portion	1 780 955	1 704 438
Non- Current Portion	19 305 920	15 588 164
	114 893 190	112 018 882
Statement of Financial Performance obligation for:		
Post-employment medical benefits	(919 965)	4 263 169
Long Service Award loss	3 794 273	2 600 281
	2 874 308	6 863 450

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

SENSITIVITY ANALYSIS

The results presented are based on a number of assumptions. The extent to which the actual liability faced in the future by the Municipality differs from these results, will depend on the extent to which actual experience differs from the assumptions made.

The assumption which tends to have the greatest impact on the results are:

- (1) The general salary inflation rate assumption
- (2) The discount rate assumption
- (3) The average retirement age of employees
- (4) Assumed rates of withdrawal of employees from service

SENSITIVITY RESULTS

The liability at the Valuation date was recalculated to show the effect of:

- (1) A 1% increase and decrease in the assumed general salary inflation rate.
- (2) A 1% increase and decrease in the discount rate.
- (3) A two-year decrease and increase in the assumed average retirement age of employees.
- (4) A 50% decrease in the assumed withdrawal rates from service.

Tables 1 summarises the results of the sensitivity analysis.

Sensitivity Analysis of the Unfunded Accrued Liability (in R Millions)

ASSUMPTION	CHANGE	LIABILITY	% CHANGE
Central assumptions		21.087	
General salary inflation rate	+1%	22.533	7%
	-1%	19.787	-6%
Discount rate	+1%	19.664	-7%
	-1%	22.701	8%
Average retirement age	-2 yrs	19.799	-6%
	+2 yrs	22.240	5%
Withdrawal rates	-50%	24.308	15%

The table above indicates, for example, that if salary inflation is 1% greater than the long-term assumption made, the liability will be 7% higher

Table 2 summarises the results of this analysis on the Current-service and Interest Costs for the year ending 30 June 2019

Sensitivity Analysis on Current-service and Interest Costs

ASSUMPTION	CHANGE	CURRENT SVC. COST	INTEREST COST	TOTAL	% CHANGE
Central assumptions		1 542 800	1 420 300	2 963 100	
General salary inflation	+1%	1 683 100	1 525 900	3 209 000	8%
	-1%	1 418 200	1 325 500	2 743 700	-7%
Discount rate	+1%	1 425 200	1 469 300	2 894 500	-2%
	-1%	1 677 100	1 359 700	3 036 800	2%
Average retirement age	-2 yrs	1 452 200	1 327 000	2 779 200	-6%
	+2 yrs	1 632 900	1 503 700	3 136 600	6%
Withdrawal rates	-50%	2 003 200	1 687 600	3 690 800	25%

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

6. EMPLOYEE BENEFIT OBLIGATIONS ...continued

HISTORY OF LIABILITIES, ASSETS AND EXPERIENCE ADJUSTMENTS

The table below summarises the accrued liabilities and the plan assets for the current period and the previous four periods.

History of liabilities and assets (R millions)

LIABILITY HISTORY	30/06/2015	30/06/2016	30/06/2017	30/06/2018	30/06/2019
Accrued liability	12 571 000	12 899 267	14 692 321	17 292 602	21 086 875
Plan asset	0	0	0	0	0
Surplus / (Deficit)	(12 571 000)	(12 899 267)	(14 692 321)	(17 292 602)	(21 086 875)

	2019	2018 RESTATED
	R	R
7. LONG-TERM RECEIVABLES		
Housing selling scheme loans	3 906 420	4 279 541
Less: Allowance for impairment and future housing discounts	(3 264 855)	(3 631 327)
Total	641 565	648 214
Transfer to Current Portion		
Less: Current portion transferred to current receivables	(18 509)	(6 723)
Total Receivables	623 055	641 491
Written - off during the year	629 971	932 150
HOUSING SELLING SCHEME LOANS		
Loans have been granted to individuals who qualified in terms of the KwaZulu-Natal Department of Housing's programme. The loans are repayable over terms ranging from 5 to 30 years at interest rates varying between 11.25% and 13.5%		
8. INVENTORIES		
Housing Inventory	142 490	167 164
Consumable stores	339 775	455 073
Mechanical spares	14 372	12 577
Electrical maintenance spares	4 811 229	6 361 803
Fuel	58 390	60 164
Total Inventories	5 366 257	7 056 782
Periodically, physical stock counts are carried out.		
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	103 570 768	97 622 503
Estate	81 749	77 072
Refuse	17 198 718	13 790 016
VAT on Consumer debtors	18 233 887	16 603 542
Legal Fees	4 889 085	3 925 659
Encroachment and plot clearing	626 645	535 660
Sundry Adjustments	150 980	140 579
Interest	7 965 771	5 714 246
Add back credits included above	298 511	300 254
Less: Allowance for impairment	(49 675 158)	(40 740 420)
Total	103 340 956	97 969 111

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS ...continued		
Electricity		
Current (0 – 30 days)	80 340 262	81 666 380
31 - 60 Days	5 063 226	2 595 796
61 - 90 Days	2 710 561	1 809 155
91 - 120 Days	1 778 044	2 281 769
Greater than 120 days	13 678 676	9 269 403
Total	103 570 768	97 622 503
Estate		
Current (0 – 30 days)	3 597	1 980
31 - 60 Days	1 133	1 063
61 - 90 Days	1 063	1 086
91 - 120 Days	809	1 086
Greater than 120 days	75 148	71 857
Total	81 749	77 072
Refuse		
Current (0 – 30 days)	2 873 112	2 502 006
31 - 60 Days	1 102 302	3 426 180
61 - 90 Days	770 588	590 249
91 - 120 Days	860 035	497 625
Greater than 120 days	11 592 680	6 773 956
Total	17 198 718	13 790 016
VAT on Consumer Debtors		
Current (0 – 30 days)	12 505 603	11 799 836
31 - 60 Days	859 379	853 066
61 - 90 Days	500 596	340 807
91 - 120 Days	414 549	1 386 726
Greater than 120 days	3 953 760	2 223 107
Total	18 233 887	16 603 542
Legal Fees		
Current (0 – 30 days)	402 235	505 157
31 - 60 Days	217 908	197 627
61 - 90 Days	49 127	144 828
91 - 120 Days	97 875	107 495
Greater than 120 days	4 121 940	2 970 552
Total	4 889 085	3 925 659
Encroachment and plot clearing		
Current (0 – 30 days)	1 344	25 676
31 - 60 Days	2 965	64
61 - 90 Days	1 515	97 177
91 - 120 Days	40 693	16 369
Greater than 120 days	580 127	396 374
Total	626 645	535 660

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
9. RECEIVABLES FROM EXCHANGE TRANSACTIONS ...continued		
Sundry Adjustments		
Current (0 – 30 days)	88 370	90 544
31 - 60 Days	(12 822)	(2 237)
61 - 90 Days	(3 934)	8 843
91 - 120 Days	4 071	25 760
Greater than 120 days	75 295	17 669
Total	150 980	140 579
Interest		
Current (0 – 30 days)	585 943	422 888
31 - 60 Days	471 144	294 178
61 - 90 Days	417 046	270 559
91 - 120 Days	375 591	225 824
Greater than 120 days	6 116 047	4 500 797
Total	7 965 771	5 714 246
Add: credits included above		
Current (0 – 30 days)	9 325 028	9 471 587
31 - 60 Days	(1 020 762)	(3 323 528)
61 - 90 Days	(889 401)	(795 637)
91 - 120 Days	(538 309)	(1 238 137)
Greater than 120 days	(6 578 046)	(3 814 031)
Total	298 511	300 254
Reconciliation of the Allowance for Impairment		
Balance at beginning of the year		
Receivables from exchange transactions	40 740 420	40 740 420
Long term receivables	3 631 327	4 127 448
Receivables from non-exchange transactions	136 062 351	120 225 809
Total balance at beginning of the year	180 434 098	165 093 677
(Release from) / Contribution to provision		
Receivables from exchange transactions	8 934 738	-
Long term receivables	(366 472)	(496 121)
Receivables from non-exchange transactions	32 686 447	15 836 542
Total (Release from) / Contribution to provision	41 254 714	15 340 421
Balance at end of year		
Receivables from exchange transactions	49 675 158	40 740 420
Long term receivables	3 264 855	3 631 327
Receivables from non-exchange transactions	168 748 798	136 062 351
Total Balance at end of year	221 688 812	180 434 098
Bad debts written off		
Bad debts written off - Exchange Transactions	768 760	41 878
Bad debts written off - Non - Exchange Transactions	5 065 790	313 692
Total Bad debts written off	5 834 549	355 569

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
10. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		
Rates	128 370 247	106 224 097
Other debtors	142 776 884	129 682 720
Department of Housing - RDP projects	251 934	251 934
Operating leases	1 847 529	1 968 704
less: Allowance for impairment	(168 748 798)	(136 062 351)
	104 497 796	102 065 105
Rates		
Current (0 – 30 days)	22 546 929	17 200 374
31 - 60 Days	9 251 596	7 822 783
61 - 90 Days	6 952 153	5 441 241
91 - 120 Days	6 026 396	4 523 066
Greater than 120 days	83 593 173	71 236 633
Total	128 370 247	106 224 097
Other Debtors:		
Included in Other Debtors are:		
Debtors in respect of Legal Fees outstanding	-	32 637
Contour Prepaid Vending Debtor	724 796	526 414
Traffic Fines Debtor	98 716 410	88 066 016
Accrued Income	3 375 445	2 217 075
Ilembe water deposits	56 491	56 491
Sundry Debtors - R&G	32 036 696	30 131 369
Prepaid expenditure	7 118 533	6 942 675
Housing bridge financing and pay parking	748 513	1 710 043
	142 776 884	129 682 720
Included in Sundry debtors is Fruitless & Wasteful expenditure relating to BPB Sindi & Khayelihle Projects has been fully impaired subject to the outcomes of Section 32 of the MFMA.		
11. VAT RECEIVABLE		
VAT	7 463 064	5 609 145
VAT is recognised / (accounted for) on a payments basis. Once payment is received from debtors VAT is paid over to SARS.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
12. SHORT TERM INVESTMENTS		
The municipality has the following short term investments		
ABSA Bank Account - Stanger Branch Account Number 2073166734	-	14 327 014
First National Bank Account- Stanger Branch Account Number 71186421337	-	21 139 121
Nedbank Account - Stanger Branch Account Number 31337173 - 9969	-	16 287 141
Investec Bank Account - Durban Branch Account Number 1100-482666-456	27 388 466	25 363 963
Standard Bank Account - Durban Branch Account Number 058756442-086	-	12 035 116
Nedbank Account - Stanger Branch Account Number 9996-19832841	115 817	108 474
Nedbank Account - Stanger Branch Account Number 9997-19832841	201 565	188 786
ABSA Bank Account - Stanger Branch Account Number 03/7881022337-159	-	17 000 000
ABSA Bank Account - Stanger Branch Account Number 03/7881022337-159	-	423 355
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/161	24 000 000	-
Standard Bank Account - Durban Branch Account Number 058756442-088	20 500 000	-
Standard Bank Account - Durban Branch Account Number 058756442-087	13 051 000	-
Standard Bank Account - Durban Branch Account Number 058756442-089	25 000 000	-
Nedbank Bank Account - Treasury Branch Account Number 03/7881022337/162	22 500 000	-
	132 756 847	106 872 971

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

		BANK STATEMENT BALANCES		CASH BOOK BALANCES	
		2019	2018	2019	2018
		R	R	R	R
13. CASH AND CASH EQUIVALENTS					
Cash and cash equivalents consist of:					
Bank Balances and short term deposits		557 984 432	397 946 208	565 939 178	403 908 013
The municipality had the following Investment and Bank accounts					

Account number / description		BANK STATEMENT BALANCES		CASH BOOK BALANCES	
		2019	2018	2019	2018
		R	R	R	R
Nedbank Bank Account - Stanger Branch Account Number 31337173-9975: Call Account		8 605 388	8 054 265	8 605 388	8 054 265
First National Bank Account - Stanger Branch Account Number 62288308672		618 947	588 584	618 947	588 584
First National Bank Account - Stanger Branch Account Number 62288306147		308 819	293 670	308 819	293 670
First National Bank Account - Stanger Branch Account Number 62363519251		16 398 272	15 592 697	16 398 272	15 592 697
ABSA Account - Durban Branch Account Number 93 1800 0892		13 864 159	75 518 826	13 864 159	75 518 826
ABSA Bank Account - Stanger Branch Account Number 9330098057		201 242 833	134 946 317	201 242 833	134 946 317
ABSA Bank Account - Stanger Branch Account Number 932 12992298		736 339	693 693	736 339	693 692
ABSA Bank Account - Stanger Branch Account Number 932 1890676		221 159	209 570	221 159	209 570
ABSA Bank Account - Stanger Branch Account Number 932 1890529		817 296	769 923	817 296	769 923
ABSA Bank Account - Stanger Branch Account Number 932 1063433		2 798 683	2 634 332	2 798 683	2 634 332

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

Account number / description		BANK STATEMENT BALANCES		CASH BOOK BALANCES	
		2019	2018	2019	2018
		R	R	R	R
13. CASH AND CASH EQUIVALENTS ...continued					
ABSA Bank Account - Stanger Branch Account Number 932 1889635		3 725 192	3 506 349	3 725 192	3 506 349
ABSA Bank Account - Stanger Branch Account Number 932 1890113		254 379	239 868	254 379	239 868
ABSA Bank Account - Stanger Branch Account 932 3556707		11 786 023	11 086 338	11 786 023	11 086 338
ABSA Bank Account - Stanger Branch Account Number 932 6885911		5 754 629	5 416 335	5 754 629	5 416 335
First National Bank Account - Stanger Branch Account Number 53730256310: Cheque Account	13,1	17 167 887	16 425 888	-69 970 711	-
Primary Bank Account ABSA Bank Stanger Branch Account Number 4087 627126	13,1	64 505 194	41 628 199	156 006 566	59 157 369
Fines Bank Account First National Bank Account - Stanger Branch Account Number 62079758268: Cheque Account		1 244 972	1 158 569	1 244 972	1 158 569
Grants Bank Account (2) ABSA- Stanger Branch Account Number 74303898107: Cheque Account		57 479 146	28 776 050	57 479 146	28 776 050
ABSA Bank - Stanger Branch Account Number 408 8890536		2 605 594	1 333 848	2 605 594	1 333 849
ABSA Bank - Stanger Branch Account Number 408 8890196		3 134 809	895 654	3 134 809	895 654
ABSA Bank - Stanger Branch Account Number 408 889105		33 777 866	28 239 819	33 777 866	28 239 819
ABSA Bank - Stanger Branch Account Number 408 8891427		45 170	50 757	45 170	50 757
ABSA Bank - Stanger Branch Account Number 408 8892732		60 045	65 054	60 045	65 054
ABSA Bank - Stanger Branch Account Number 408 8893047		152 026	164 316	152 026	164 316

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

Account number / description	BANK STATEMENT BALANCES		CASH BOOK BALANCES	
	2019	2018	2019	2018
	R	R	R	R
13. CASH AND CASH EQUIVALENTS ...continued				
ABSA Bank - Stanger Branch Account Number 408 8893306	37 314	42 388	37 314	42 388
ABSA Bank Account - Stanger Branch Account Number 93 3046 2759	2 358 145	2 230 545	2 358 145	2 230 545
ABSA Bank Account - Stanger Branch Account Number 93 3924 6273	12 838 087	12 136 485	12 838 087	12 136 485
ABSA Bank Account - Stanger Branch Account Number 93 3252 2727	5 548 524	5 247 869	5 548 524	5 247 869
ABSA Bank Account - Stanger Branch Account Number 40 9577 4472	89 897 533	-	89 897 533	-
Petty Cash & Cash on hand	-	-	408 514	2 506 747
Foreign Currency	-	-	3 183 457	2 351 776
	557 984 432	397 946 208	565 939 178	403 908 013

13.1 The cash book totals for FNB (Account 53730256310), R 69 970 711, and ABSA (Account 4087627126), R 156 006 566, are aggregated to the ABSA account. Due to the interlinked nature of these accounts, the above fairly presents the financial state of the municipality as at 30 June 2019.

	2019	2018 RESTATED
	R	R
14. REVALUATION RESERVE		
Opening balance	18 313 137	18 313 137
Movement for the year	-	-
Closing balance	18 313 137	18 313 137
15. HOUSING OPERATING ACCOUNT		
The Housing Operating Account is represented by the following assets and liabilities:		
Fixed Assets	1 914 779	2 317 144
Housing Inventory	142 490	167 164
Debtors	781 832	261 030
Debtors: Department of Housing	251 934	251 934
Accumulations	5 854 145	5 842 609
Prepaid debtors	(217 024)	(111 725)
	8 728 156	8 728 156

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
16. LEASES		
Minimum lease payments due		
Within one year	1 156 986	
Later than 1 year and no later than 5 years	1 735 479	-
	2 892 465	-
less: Future finance charges	(350 382)	-
Present value of minimum lease payments	2 542 083	-
Present value of minimum lease payments due		
Within one year	939 758	
Later than 1 year and no later than 5 years	1 602 325	-
	2 542 083	
The municipality has entered into lease agreement with Motswako Office Solutions for the use of photocopy machines, effective 01 January 2019. The lease runs for a period of 3 years.		
OPERATING LEASES		
OPERATING LEASES - RECEIVABLES		
The future minimum lease payments receivable under operating leases for the actual receivables are as follows:		
No later than 1 year	677 338	645 084
Later than 1 year and no later than 5 years	3 065 384	2 919 413
Later than 5 years	1 772 173	2 595 482
	5 514 895	6 159 979
OPERATING LEASES - PAYABLES		
The future minimum lease payments payable under operating leases for the actual payables are as follows:		
No later than 1 year	336 706	346 756
Later than 1 year and no later than 5 years	-	-
Later than 5 years	-	-
	336 706	346 756
The municipality has entered into lease agreement with Shann Investments (PTY) LTD for the occupation of premises. The lease runs for a period of 3 years, which terminated on the 31 August 2018, with an option to extend for a further 2 years. Real rental expense escalates at 8% per annum. The municipality is in the process of extending the lease agreement for the second year.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
17. UNSPENT CONDITIONAL GRANTS, RECEIPTS AND PUBLIC CONTRIBUTIONS		
Unspent conditional grants and receipts comprises of:		
Unspent conditional grants and receipts:		
Municipal Infrastructure Grant	1 392 303	-
Department of Minerals and Energy DME (INEP)	612 997	15 924 506
Department of Sports and Recreation	23 288	94 541
Municipal Assistance Programme	92 235	284 401
New library	336 761	491 516
Small Town Rehabilitation Grant	4 010 338	-
Housing Accreditation	17 118 539	17 747 140
Energy Efficiency & Demand Side Management Grant	358 995	
Ballito Junction Road	9 873 612	11 333 093
IFA Hulletts Sports Facility	275 934	1 842 953
IFA Hulletts Beach Node Development	2 748 970	4 516 290
KwaDukuza Mall Development	5 725 147	-
	42 569 118	52 234 440
18. CURRENT PROVISIONS		
Reconciliation of Current provision		
Reimbursement of Developers Contribution		
Opening balance	-	-
Transfer to current provisions	11 967 563	-
Utilised during the year	(11 967 563)	-
Total	-	-
Rehabilitation of Landfill Site		
Opening balance	1 791 722	1 428 862
Additions /(Decrease) to provisions	98 870	362 860
Total	1 890 591	1 791 722
Total Current Provision:	1 890 591	1 791 722

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
18. CURRENT PROVISIONS ...continued		
Reconciliation of Non - Current provision - 2019:		
1. Rehabilitation of Landfill Site		
Opening balance	9 116 724	9 341 829
Additions / (Decrease) to provisions	531 312	(225 105)
Total	9 648 036	9 116 724
2. Developers Contribution		
Opening balance	8 539 705	7 745 764
Additions / (Decrease) to provisions	7 360 404	793 941
Utilised during the year	(11 967 563)	-
Total	3 932 546	8 539 705
3. Deferred Interest		
Opening balance	12 012 113	12 806 054
Additions / (Decrease) to provisions	(7 360 404)	(793 941)
Utilised during the year	-	-
Total	4 651 709	12 012 113
Total Non - Current Provision:	18 232 290	29 668 542
Total Current Provision:	1 890 591	1 791 722
Total Non - Current Provision	18 232 290	29 668 542
Total Provisions:	20 122 882	31 460 264
Net adjustments to Provisions	630 181	137 755
The provision created for the rehabilitation of the landfill site is based on a professional study conducted by Ecological and Environmental Services of the rehabilitation costs of the Shakaville dumpsite.		
The provision is calculated in line with the medium term revenue and expenditure framework of the Council. Council intends commencing spending against this provision in accordance with the 2019/2020 operating budget over the MTREF.		
The provision reflects a total of R11 538 627 as the present value.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
19. LONG TERM LIABILITIES		
Non Annuity Loans - Bank Loans		
Bear interest at 9.73% to 10.43% and is redeemed in bi-annual instalments, including interest, over varying periods until 2032.		
Non Annuity Loans	220 928 058	230 257 585
Current portion transferred to Current Liabilities	(9 830 016)	(9 329 526)
Total Long Term Liabilities	211 098 042	220 928 059
20. TRADE & OTHER PAYABLES		
Trade payables	169 203 467	95 834 941
Payments received in advance	21 660 810	21 251 751
Other creditors	22 183 582	15 971 888
Housing Agency Creditor - Department of Human Settlements	33 810 699	28 224 733
Cheques payments not yet presented to bank	269 468	6 018 110
Deposits - other	5 353 130	4 956 132
Staff leave	17 666 637	14 439 612
Staff bonus	9 134 208	7 461 695
Retentions	16 332 277	19 924 352
	295 614 278	214 083 214
Payments in advance includes prepaid electricity accruals		
21. DEPOSITS		
Consumer Deposits in respect of:		
Electricity	33 500 617	32 018 269
22. SERVICE CHARGES		
Sale of electricity	808 705 750	732 877 042
Refuse removal	59 753 715	57 437 378
	868 459 465	790 314 420
23. OTHER INCOME		
Contributions demand based	15 932 241	21 564 172
Building plan fees	8 632 734	5 154 681
Sundries	3 595 550	3 965 046
Electricity availability	3 043 369	2 754 166
Proceeds from insurance	1 483	1 624 923
Admin charges	1 151 381	787 328
Sundry income	8 351 471	7 995 448
Special Rating Areas Income	10 817 079	10 763 079
Foreign exchange gains	-	185 195
	51 525 309	54 794 039

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
24. INVESTMENT REVENUE		
Interest revenue		
Total interest Earned on Investments & Bank Accounts	40 733 867	31 076 918
25. PROPERTY RATES		
Residential	226 984 180	210 156 021
Commercial	129 278 392	109 167 457
Residential for commercial purposes	1 450 537	1 343 355
Education and State	7 079 858	5 855 782
Agriculture	2 940 227	2 818 857
Vacant	72 366 376	65 714 501
Public Service Infrastructure	1 583 734	1 465 524
Total Actual Assessment Rates	441 683 306	396 521 497
Property rates - penalties imposed	14 684 033	11 281 177
Assessment rates including Penalties	456 367 339	407 802 674
Property Valuations		
Residential	39 324 747 500	38 204 670 500
Commercial	6 207 234 000	5 589 516 000
Residential for commercial purposes	190 040 000	190 040 000
Education and State	328 611 000	293 570 000
Municipal	656 604 000	567 936 000
Agriculture	3 363 335 000	3 490 348 000
Vacant	3 730 933 000	3 677 502 000
Land reform	1 075 005 000	1 189 756 000
Monuments	2 019 000	2 019 000
Public Service Infrastructure	3 210 125 000	3 211 005 000
Worship / Public Benefit Organisations	169 384 000	168 348 000
Total Property Valuations	58 258 037 500	56 584 710 500
The last general valuation came into effect on: 01.07.2014		
Property rates levied in terms of the Local Government: Municipal Property Rates Act No. 6 of 2004 (MPRA) with effect from 01/07/2007		
Adjustments to the valuation roll in terms of Section 78 of the MPRA (as amended) are effected on an on-going basis. The adjustments take into account consolidations and subdivisions as well as property category changes.		
Assessment rates: Cents in the rand on market valuation as follows:		
Residential, informal settlements, land reform, monuments	0,741	0,686
Residential for commercial purposes	0,812	0,752
Agricultural	0,186	0,172
Industrial, business and commercial, vacant, public infrastructure, Municipal owned and worship	2,292	2,122
Properties used by an organ of state and used for public service purposes	2,292	2,122
Guest houses	2,074	1,912
Public service infrastructure	0,186	0,172

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
25. PROPERTY RATES ...continued		
Improved residential properties: in addition to the statutory reduction of R15 000, a further reduction of R85 000 is approved for property values exceeding R130 000. Persons owning improved residential property with a rateable value of R130 000 and below will not be liable for the payment of rates.		
The first 30% of the valuation of Public Service infrastructure properties are exempt from the calculation of rates.		
Rebates:		
Land reform, worship, state land, PBO's, monuments, informal settlements and municipal owned property	100%	100%
Additional rebates applicable:		
Excluded services	15%	15%
All Pensioners		
Pensioners under 65 years	25%	25%
Pensioners between 65 & 75 years	30%	30%
Pensioners older than 75 years	35%	35%
Industrial incentives including:		
In the first year, thereafter phased out by 10% per annum down to 60%	100%	100%
Residential Developers incentives		
In first & second year thereafter phased out by 10% per annum		
Bonafide Agricultural properties		
Rates are levied as follows (in terms of Section 26 of the Municipal Property Rates Act No. 6 of 2004) for the 2018/2019 financial year:		
On an annual basis, by application, and the final date of payment being:	30 September 2018	30 September 2017
On a monthly basis, and the final dates of payment being the last working day of the month from August 2018 to June 2019.		
Interest is levied on outstanding rates per annum at :	15.5% per annum	15.5% per annum
Plus collection charges two months after the final date of payment in respect of annual rate payers and 01 July in respect of monthly rate payers:	10%	10%
26. GOVERNMENT GRANTS AND SUBSIDIES		
Operating grants		
Equitable Share	147 876 000	131 541 000
Municipal Infrastructure Grant	52 573 697	62 562 000
Financial Management Grant	1 800 000	1 800 000
Department of Minerals and Energy	9 307 002	2 166 852
New Library Grant	745 755	583 844
Library Subsidy	5 028 000	3 045 000
Museum	192 000	183 000
Disaster Rough Seas	-	191 449
Small Town Rehabilitation Grant	989 662	-
Energy Efficiency & Demand Side Management Grant	4 641 005	-
Expanded Public Works Programme	1 540 000	1 565 000
Housing Accreditation	4 128 596	3 555 242
Municipal Assistance Programme (MAP)	192 166	-
Department of Sports and Recreation	121 253	88 055
	229 135 138	207 281 442

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Equitable Share		
Balance unspent at the beginning of year	-	-
Current year receipts	147 876 000	131 541 000
Conditions met – transferred to revenue	(147 876 000)	(131 541 000)
	-	-
In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.		
Municipal Infrastructure Grant		
Balance unspent at beginning of year	-	-
Current year receipts	53 966 000	62 562 000
Conditions met - transferred to revenue	(52 573 697)	(62 562 000)
	1 392 303	-
Conditions still to be met - remain liabilities (see note 17)		
This grant was used for road & storm water infrastructure, including the construction of community halls, crèches and sports fields.		
Financial Management Grant		
Current year receipts	1 800 000	1 800 000
Conditions met - transferred to revenue	(1 800 000)	(1 800 000)
Conditions still to be met - remain liabilities (see note 17)	-	-
This grant is used to assist the municipality to implement financial reforms required by the MFMA.		
Department of Minerals and Energy Grant		
Balance unspent at beginning of year	15 924 506	8 091 358
Current year receipts	9 920 000	10 000 000
Conditions met - transferred to revenue	(9 307 002)	(2 166 852)
Paid back to the National Revenue Fund	(15 924 506)	
	612 997	15 924 506
Conditions still to be met - remain liabilities (see note 17)		
This grant is used for electrification projects as part of upgrading of informal settlement areas.		
New Library Grant		
Balance unspent at beginning of year	491 516	511 360
Current year receipts	591 000	564 000
Conditions met - transferred to revenue	(745 755)	(583 844)
	336 761	491 516
Conditions still to be met - remain liabilities (see note 17)		
This Grant is used for the payment of the cyber cadets at the Shakaskraal, Stanger Manor and KwaDukuza libraries.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Department of Sports and Recreation		
Balance unspent at beginning of year	94 541	182 596
Current year receipts	50 000	-
Conditions met - transferred to revenue	(121 253)	(88 055)
	23 288	94 541
Conditions still to be met - remain liabilities (see note 17)		
This grant is used to pay for Caretakers for the maintenance and upkeep of sports facilities.		
Municipal Assistance Program		
Balance unspent at beginning of year	284 401	284 401
Current year receipts	-	-
Conditions met - transferred to revenue	(192 166)	-
	92 235	284 401
Conditions still to be met - remain liabilities (see note 17)		
This grant is used to strengthen credit control and debt collection processes.		
Museum		
Balance unspent at beginning of year	-	-
Current year receipts	192 000	183 000
Conditions met - transferred to revenue	(192 000)	(183 000)
	-	-
Conditions still to be met - remain liabilities (see note 17)		
This grant is for the Museum expenditure incurred.		
Disaster Rough Seas		
Balance unspent at beginning of year	-	191 449
Current year receipts	-	-
Conditions met - transferred to revenue	-	(191 449)
	-	-
Conditions still to be met - remain liabilities (see note 17)		
This grant is from Department of Provincial Local Government for the clean up operations on the beaches.		
Small Town Rehabilitation		
Balance unspent at beginning of year		
Current year receipts	5 000 000	-
Conditions met - transferred to revenue	(989 662)	-
	4 010 338	-
Conditions still to be met - remain liabilities (see note 17)		
This grant is for the upgrade of Theunissen Park.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
26. GOVERNMENT GRANTS AND SUBSIDIES ...continued		
Energy Efficiency & Demand Side Management		
Balance unspent at beginning of year	-	-
Current year receipts	5 000 000	-
Conditions met - transferred to revenue	(4 641 005)	-
	358 995	-
Conditions still to be met - remain liabilities (see note 17)		
This grant is for community upliftment		
Expanded Public Works Program		
Balance unspent at beginning of year	-	-
Current year receipts	1 540 000	1 565 000
Conditions met - transferred to revenue	(1 540 000)	(1 565 000)
	-	-
Conditions still to be met - remain liabilities (see note 17)		
EPWP grant funding is used to expand job creation efforts in specific focus areas where labour intensive delivery methods can be measured.		
Library Subsidy		
Balance unspent at beginning of year	-	-
Current year receipts	5 028 000	3 045 000
Conditions met - transferred to revenue	(5 028 000)	(3 045 000)
	-	-
Conditions still to be met - remain liabilities (see note 17)		
This grant is used to fund operational expenditure within the various libraries in KwaDukuza.		
Housing Accreditation Grant		
Balance unspent at beginning of year	17 747 141	17 244 343
Current year receipts	3 499 994	4 058 040
Conditions met - transferred to revenue	(4 128 596)	(3 555 242)
	17 118 539	17 747 141
Conditions still to be met - remain liabilities (see note 17)		
This grant is for community upliftment		
27. PUBLIC CONTRIBUTIONS		
IFA Huletts Sports Facility	1 567 019	2 446 539
Ballito Junction Road	1 459 481	716 968
IFA Huletts Beach Node Development	1 767 320	4 854 914
KwaDukuza Mall Development	1 574 853	-
	6 368 673	8 018 421
Balance unspent at beginning of year	17 692 336	20 694 070
Current-year receipts	7 300 000	5 016 687
Conditions met - transferred to revenue	(6 368 673)	(8 018 421)
Balance unspent at end of year (Note 16)	18 623 663	17 692 336
Conditions still to be met - remain liabilities (see note 17)		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
28. EMPLOYEE RELATED COSTS		
Basic	207 898 725	192 992 072
Bonus	15 955 222	15 457 825
Medical aid - company contributions	21 121 517	17 337 469
UIF	1 709 308	1 658 640
Industrial council levies	102 200	95 997
Leave pay provision charge	5 004 361	5 697 337
Leave & bonus provision expense	4 899 538	1 531 372
Travelling allowances	14 022 966	13 445 485
Overtime payments	41 961 663	43 282 035
Housing benefits and allowances	889 989	805 402
Group Life Assurance	1 351 372	1 135 732
Pension Contributions	37 249 736	35 577 559
Standby, Uniform, Telephone and Tool allowances	10 624 392	7 209 261
	362 790 990	336 226 172
Remuneration of the Municipal Manager		
Salary and Allowances	1 432 052	1 297 386
Backpay	108 239	-
Travel Allowance	96 000	96 000
Cell Allowance	17 160	15 600
Bonus	80 577	109 212
Acting allowance	-	-
Pension & backpay pension	150 178	126 495
Pension Surcharge	-	-
Other contributions	18 268	16 224
	1 902 475	1 660 917
Remuneration of the Chief Financial Officer		
Salary and Allowances	1 015 075	952 663
Backpay	22 250	19 346
Travel Allowance	475 104	475 104
Cell Allowance	14 520	13 200
Bonus	111 437	106 130
Acting allowance	-	-
Pension & backpay pension	158 823	147 139
Pension Surcharge	52 337	57 073
Other contributions	15 983	15 280
	1 865 528	1 785 934
Executive Director: Economic Development & Planning		
Salary and Allowances	1 086 582	1 010 003
Backpay	19 497	34 140
Travel Allowance	96 000	96 000
Cell Allowance	14 520	13 200
Bonus	92 221	82 899
Acting allowance	-	-
Pension & backpay pension	184 613	177 949
Pension Surcharge	60 741	69 024
Other contributions	13 996	13 293
	1 568 169	1 496 508

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
28. EMPLOYEE RELATED COSTS ...continued		
Executive Director: Corporate Services		
Salary and Allowances	1 266 977	1 175 164
Backpay	23 714	44 389
Travel Allowance	96 000	96 000
Cell Allowance	14 520	13 200
Bonus	92 221	82 899
Acting allowance	-	-
Pension & backpay pension	-	-
Pension Surcharge	-	-
Other contributions	16 632	15 808
	1 510 064	1 427 460
Executive Director: Community Safety		
Salary and Allowances	1 242 977	1 179 164
Backpay	23 714	44 389
Travel Allowance	120 000	92 000
Cell Allowance	14 520	13 200
Bonus	65 872	82 899
Acting allowance	-	-
Pension & backpay pension	-	-
Pension Surcharge	-	-
Other contributions	16 320	15 816
	1 483 404	1 427 468
Executive Director: Community Services & Public Amenities		
Salary and Allowances	1 002 523	941 600
Backpay	20 097	20 734
Travel Allowance	180 000	180 000
Cell Allowance	14 520	13 200
Bonus	92 221	87 083
Acting allowance	-	-
Pension & backpay pension	184 072	173 220
Pension Surcharge	-	-
Other contributions	13 677	13 060
	1 507 109	1 428 896
Chief Operations Officer		
Salary and Allowances	1 021 311	944 459
Backpay	19 497	34 140
Travel Allowance	185 400	185 400
Cell Allowance	14 520	13 200
Bonus	65 872	82 899
Acting allowance	10 028	5 844
Pension & backpay pension	160 483	154 791
Pension Surcharge	52 802	60 042
Other contributions	13 999	13 510
	1 543 912	1 494 285

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
28. EMPLOYEE RELATED COSTS ...continued		
Executive Director: Civil Engineering & Human Settlements		
Salary and Allowances	1 073 710	995 902
Backpay	20 097	37 618
Travel Allowance	96 000	96 000
Cell Allowance	14 520	13 200
Bonus	65 872	82 899
Acting allowance	-	-
Pension & backpay pension	196 885	186 034
Pension Surcharge	-	-
Other contributions	13 388	12 992
	1 480 471	1 424 644
Salary and Allowances	653 155	573 013
Backpay	14 026	-
Travel Allowance	180 000	165 000
Cell Allowance	14 520	12 100
Bonus	45 975	-
Acting allowance	-	-
Pension & backpay pension	120 093	103 142
Pension Surcharge	-	-
Other contributions	9 989	8 369
	1 037 758	861 624
Executive Director: Youth		
Salary and Allowances	298 182	-
Backpay	-	-
Travel Allowance	75 000	-
Cell Allowance	6 050	-
Bonus	-	-
Acting allowance	-	-
Pension & backpay pension	53 673	-
Pension Surcharge	-	-
Other contributions	4 154	-
	437 059	-
The Executive Director: Youth was employed on 01 January 2019. He resigned in June 2019.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
29. REMUNERATION OF COUNCILLORS		
Mayor	788 947	786 369
Deputy Mayor	728 375	637 253
Speaker	728 375	626 474
Executive Committee (EXCO)	6 291 158	5 731 665
Councillors	12 672 769	12 239 320
Councillors' pension contribution	1 073 178	1 747 969
Traditional leaders	10 200	42 600
	22 293 002	21 811 650
30. DEPRECIATION AND AMORTISATION		
Property, Plant & Equipment	68 540 836	64 489 587
Intangible assets	1 503 672	2 858 078
	70 044 508	67 347 666
31. IMPAIRMENT OF ASSETS		
Impairments / (Impairment Reversals)		
Property, Plant & Equipment	818 871	4 075 102
32. FINANCE COSTS		
Finance costs on borrowings	22 222 847	23 102 861
33. DEBT IMPAIRMENT		
Contributions to debt impairment provision	41 621 185	16 544 318
Bad debts written off	6 464 520	1 287 719
	48 085 706	17 832 038
34. BULK PURCHASES		
Electricity	630 488 802	567 223 215
Bulk Purchases are the cost of commodities not generated by the municipality, which the municipality distributes in the municipal area for resale to the consumers. Electricity is purchased from Eskom and Nersa approved a 7.32% tariff hike in favour of Eskom for the 2018/2019 financial year.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
35. GENERAL EXPENSES		
Included in general expenses is the following: -		
Replacement of faulty meters	53 080	234 957
Indigent support - parks and gardens	16 945 521	15 536 243
Indigent support - waste management	3 183 700	2 719 753
Call out to consumer complaints	25 000	1 985 194
Legal costs	5 971 884	5 046 236
Marketing	399 752	300 000
Audit fee - external audit	3 993 047	3 895 184
Bank charges	3 312 003	2 926 464
Insurance general	2 559 835	2 204 324
Refuse bags/contract	3 141 229	2 389 329
Ward Committee	4 022 400	4 355 100
Ballito Pro expenditure	6 298 113	8 693 360
Advertising	5 206 742	2 346 819
Printing, Stationery & postage	3 326 515	3 457 607
Subscriptions	3 695 502	3 473 046
Water & Sanitation	4 039 459	3 554 152
Sundry Oils & Fuels	9 110 270	8 002 755
Street lighting consumption	6 107 606	4 876 626
Staff & councillor training costs and bursaries	3 127 162	3 252 527
Travelling & subsistence	3 791 032	2 707 819
Telephone calls / rentals	2 826 109	3 745 781
Protective clothing	3 656 537	3 771 312
Non standard service connection	104 347	762 947
Software support & licences and agreements	5 435 807	4 494 695
Miscellaneous Expenses	20 090 094	21 679 296
Special Rating Area Expenditure	9 497 936	10 984 226
Rent of Property / Offices / House	2 008 751	1 846 273
EPWP	2 020 487	2 240 008
Housing Accreditation	67 953	419 020
Public Affairs	2 575 893	3 055 743
Sukuma Sakhe	2 735 114	2 142 385
KwaDukuza Music Festival	2 882 000	1 800 000
Kwanaloga Games	1 019 112	1 253 188
Workman's Compensation	1 987 330	2 463 009
Skills Development Levy	2 904 480	2 775 027
Loss on foreign currency	375 994	-
TOTAL GENERAL EXPENSES	148 497 795	145 390 408

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
36. FAIR VALUE ADJUSTMENT		
Investment property (Fair value model)	4 850 000	6 095 000
37. COMMITMENTS		
Authorised capital expenditure		
Approved and Contracted for:		
Infrastructure	120 381 566	75 160 205
Community	34 403 081	20 073 692
	154 784 647	95 233 897
Total capital commitments		
Approved and Contracted for:	154 784 647	95 233 897
Capital Commitments are exclusive of VAT		
38. CONTINGENT LIABILITIES		
Details of Contingent Liabilities		
Reimbursement of capital costs of bulk supply to developers: (Vat Exc)		
The reimbursement is dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursements cannot presently be determined and therefore no provision for any liability that may result has been made in the financial statements.	107 267 244	107 267 244
Municipality is being sued arising out of a minor child sustaining injuries allegedly after being electrocuted when she touched a light pole in Hulett Street.	260 000	260 000
Municipality is being sued by S Govender pertaining to a collision involving a vehicle owned by the Municipality.	130 000	130 000
S T B Dlamini -Allegations of the Municipality's contractors encroaching onto grave sites.	100 000	100 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
38. CONTINGENT LIABILITIES ...continued		
Municipality is being sued for damages - plaintiff shot in leg by municipal employee using a municipal firearm.	150 000	150 000
Inqubeko Yamaqungebe Trading - claim against the municipality where the plaintiff alleges that the municipality unilaterally terminated the contract which had been concluded by the parties.	75 000	75 000
SMADA Construction - municipality is being sued for contractual damages due to cancellation of contract.	200 000	200 000
R Lutchman - Claim against the municipality due to damages to vehicle caused by pot holes.	8 192	8 192
N Dube and V Hlatswayo - claim against the municipality arising from vehicle collusion with municipal vehicle.	18 950	18 950
T Mthembu - claim against the municipality due to damages to vehicle caused by pot holes	10 012	10 012
Ibhongo Consulting - the supplier claims that certain work undertaken has not been paid.	418 352	418 352
V Govender - municipality is being sued due to plaintiff suffering damages after falling into uncovered manhole.	135 000	135 000
R I Marais - Claim against the municipality	100 000	100 000
The Plaintiff institutes action against the Defendant in which action the Plaintiff claims the relief and on the grounds of unlawful arrest.	500 000	-
N N P SHINGA - claim against the municipality due to a dispute in a Purchase and Sale Agreement.	655 897	-
Ranesh Naidoo -claim against the municipality due to damages to vehicle caused by pot holes	31 986	-
B S P Pillay - the Plaintiff is suing a municipal employee in her personal capacity for the damages, who was acting under her course and scope of employment.	200 000	-
	110 260 634	108 872 750
Various invoices from suppliers are under dispute. Neither the value nor timing may be reliably estimated at this time. Once the various review processes have been conducted, these invoices shall be recognised accordingly.	2 867 794	-
Certain payments are currently undergoing an external assessment process to determine value for money. At the time of finalisation of the AFS the report was not available for further analysis (VAT inc).	10 156 338	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
39. RELATED PARTIES AND CLOSE FAMILY MEMBERS		
Related Parties		
Staff member: P Murugan		
General Expenses for the year:	56 330	166 820
Nature of Transaction: The brother of the employee provide pest control services to the municipality.		
Councillor: R Singh		
General Expenses for the year:	33 724	108 027
Nature of Transaction: A close family member of the Councillor owns a company that provide printing services. Council conducts business with this company.		
Councillor: N Dasrath		
General Expenses for the year:	33 724	108 027
Nature of Transaction: A close family member of the Councillor owns a company that provide printing services. Council conducts business with this company.		
Councillor: G Govender		
General Expenses for the year:	2 588	38 817
Nature of Transaction: The son of the Councillor owns a company that provides panel beating and spray painting services.		
Staff member: F Ndabambi		
General Expenses for the year:	16 250	-
Nature of Transaction: The spouse of the employee provides sidewalk rehabilitation services to the municipality.		
Payments of remuneration to Senior Managers and Councillors - details of payments are set out in Notes 28 & 29		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
39. RELATED PARTIES AND CLOSE FAMILY MEMBERS ...continued		
Awards to close family members of persons in the Service of the State:		
Particulars of Award	Melokuhle Trading	Melokuhle Trading
Expenditure	-	R27 499
Individual's name / Service Provider	T Nzuza	T Nzuza
Relation in Service of the State	Spouse	Spouse
State Employer	KwaDukuza Municipality	KwaDukuza Municipality
Particulars of Award	Loveshan Naicker Investments	Loveshan Naicker Investments
Expenditure	-	R 1 956 826
Individual's name / Service Provider	L Naicker	L Naicker
Relation in Service of the State	Father	Father
State Employer	KwaDukuza Municipality	KwaDukuza Municipality
Particulars of Award	SMEC	SMEC
Expenditure	R 1 530 338	R 4 283 866
Individual's name / Service Provider	M Phosa	M Phosa
Relation in Service of the State	Spouse	Spouse
State Employer	National Assembly	National Assembly
Particulars of Award	Conlog	Conlog
Expenditure	R 405 929	R 1 076 596
Individual's name / Service Provider	Mr Moodley & Mr Gaxeni	Mr Moodley & Mr Gaxeni
Relation in Service of the State	Spouse	Spouse
State Employer	KZN Dept. of Health / Eskom	KZN Dept. of Health / Eskom
Particulars of Award	3 D Sensation Trading	3 D Sensation Trading
Expenditure	R736 564	R 843 635
Individual's name / Service Provider	T Nzuza	T Nzuza
Relation in Service of the State	Spouse	Spouse
State Employer	KwaDukuza Municipality	KwaDukuza Municipality
Particulars of Award	Vuselelikhethelo	Vuselelikhethelo
Expenditure	-	R 313 038
Individual's name / Service Provider	T Nguba	T Nguba
Relation in Service of the State	Father	Father
State Employer	KwaDukuza Municipality	KwaDukuza Municipality

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
40. CHANGE IN ESTIMATE		
Property, Plant and equipment		
The Municipality reviewed the useful lives of items of property, plant and equipment and intangible assets. Adjustments to these useful lives affect the amount of depreciation for the current year and is expected to affect future periods as well. As a results of this adjustment, the current year total depreciation decreased by a net R3 095 936 and will continue to affect annual depreciation for the remainder of these assets' useful lives. The change in estimate is accounted for prospectively. The detail breakdown of the depreciation adjustment is as follows		
Buildings		882 972
Housing Assets		(38 467)
Electricity Infrastructure		(354 462)
Storm water		53 945
Roads Infrastructure		(137 246)
Solid Waste		(29 108)
Cemeteries		(14 928)
Furniture and Fittings		(858 626)
Vehicles		(1 280 058)
Intangible Assets		(1 308 282)
Leased Assets		(11 676)
		(3 095 936)
41. PRIOR PERIOD ERRORS		
The comparatives for 2017/18 have been restated in respect of the following errors:		
41.1 Restatement of Trade & other payables (Note 7)		
Trade & other payables as previously reported.		213 800 449
Adjustment to street deposit refund 2017/2018 & ground deposit treated as revenue instead of liabilities		5 244
Adjustment to Building plan refund 2017/2018		62 970
Bring back electrical connection deposits that was previously transferred to revenue as the jobs have now been costed out		205 897
Credit notes issued in respect of Ferobrake 2017/2018		(3 371)
Adjustment to payments received in advance		12 025
Restated balance as at 30 June 2018		214 083 214
41.2 Restatement of Non-Exchange Receivables (Note 10)		
Non - exchange receivables as previously reported		97 842 544
Transfer legal fees expenses to debtors in respect of handed over accounts		32 637
Adjustments to Rates Revenue 2017/18 in respect of Valuation Appeals.		4 080 333
Adjustments to Rates Revenue Prior 2017/18 in respect of Valuation Appeals.		109 591
Restated balance as at 30 June 2018		102 065 104

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
41. PRIOR PERIOD ERRORS ...continued		
41.3 Restatement of Property, Plant & Equipment (Note 3)		
Property, Plant & Equipment as previously reported:		1 967 674 260
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution)		(1 578 706)
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Accumulated Depreciation 17/18		38 608
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Accumulated Depreciation prior 17/18		303 717
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution)		(2 711 602)
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Accumulated Depreciation 17/18		102 626
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Accumulated Depreciation prior 17/18		88 785
Recognition of electrical infrastructure (Developers Contribution)		41 700 931
Recognition of electrical infrastructure (Developers Contribution) - Accumulated Depreciation 17/18		(903 257)
Recognition of electrical infrastructure (Developers Contribution) - Accumulated Depreciation prior 17/18		(3 055 506)
Recognition of Street lights infrastructure (Developers Contribution)		1 296 627
Recognition of Street Lights infrastructure (Developers Contribution) - Accumulated Depreciation 17/18		(32 393)
Recognition of Street Lights infrastructure (Developers Contribution) - Accumulated Depreciation prior 17/18		(116 131)
DE recognition of Furniture and Fittings (Fire Extinguishers)		(17 336)
DE recognition of Furniture and Fittings (Fire Extinguishers - Accumulated Depreciation 17/18		190
DE recognition of Furniture and Fittings (Fire Extinguishers) - Accumulated Depreciation prior 17/18		16 628
DE recognition of Furniture and Fittings (Fire Extinguishers) - Impairment loss prior 17/18		139
Derecognition of WIP (Roads Completed Projects)		(1 037 694)
Recognition of Roads Infrastructure (Completed Projects)		1 037 694
Recognition of Roads Infrastructure (Completed Projects) - Accumulated Depreciation 17/18		(79 386)
Recognition of Roads Infrastructure (Completed Projects) - Accumulated Depreciation prior 17/18		(86 345)
Derecognition of WIP (Stormwater Completed Projects)		(3 873 882)
Recognition of Stormwater Infrastructure (Completed Projects)		3 873 882
Recognition of Stormwater Infrastructure (Completed Projects) - Accumulated Depreciation 17/18		(65 296)
Recognition of Stormwater Infrastructure (Completed Projects) - Accumulated Depreciation prior 17/18		(71 020)
Derecognition of Electrical Infrastructure		(14 189)
Derecognition of Electrical Infrastructure - Accumulated Depreciation 17/18		517
Derecognition of Electrical Infrastructure - Accumulated Depreciation prior 17/18		3 591
Recognition of Electrical assets donated		3 573 116
Recognition of Electrical assets donated - Accumulated Depreciation 17/18		(5 676)
Recognition of Electrical assets donated - Accumulated Depreciation prior 17/18		(39 458)
Reversal of Impairment Loss		243
Restated balance as at 30 June 2018		2 006 023 677
41.4 Intangible Assets (Note 4)		
Intangible Assets as previously reported:		4 992 315
Recognition of Intangible Assets from WIP (Munsoft)		440 000
De recognition from WIP to Intangible Assets (Munsoft)		(440 000)
Recognition of Intangible Assets from WIP (Munsoft) - Accumulated Amortisation 17/18		(146 566)
Intangible Assets incorrectly capitalised (Javlin 5 Classic)		(10 570)
Intangible Assets incorrectly capitalised (Javlin 5 Classic) - Accumulated Amortisation 17/18		253
Intangible Assets incorrectly capitalised (Javlin 5 Classic) - Accumulated Amortisation prior 17/18		9 810
Restated balance as at 30 June 2018		4 845 242

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
41. PRIOR PERIOD ERRORS ...continued		
41.5 Restatement of Non-current Provisions (Note 18)		
Non current provisions as previously reported:		41 739 712
Reversal of Prior Year Developers Refundable Provision		(14 655 541)
Reversal of Prior Year Developers Refundable Deferred Interest		(17 967 447)
Recognition of Corrected Developers Refundable Provision		8 539 705
Recognition of Corrected Developers Refundable Deferred Interest		12 012 113
Restates Non Current Provisions as at 30 June 2018		29 668 542
Reconciliation of Adjusted 2017/2018 Surplus:		
Reconciliation of Adjusted 2017/2018 Surplus:		
Surplus for the year as previously stated		223 444 207
Property rates		
Adjustment to Rates Revenue 2017/2018 due to S78 and other related adjustments		4 080 333
Other Income		
Adjustment to street deposits & ground deposits previously written back to revenue or classified as revenue instead of liability		(5 244)
Refund of building plan fees 2017/2018		(62 970)
General Expenses		
Adjustment to 2017/2018 General Expenses in respect of credit notes issued - Ferobrake		3 371
Transfer legal fees expenses to debtors in respect of handed over accounts		32 637
Depreciation		
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Depreciation 17/18		38 608
DE recognition of electrical infrastructure incorrectly capitalised (Developers Contribution) - Depreciation 17/18		102 626
Recognition of electrical infrastructure (Developers Contribution) - Depreciation 17/18		(903 257)
Recognition of Street Lights infrastructure (Developers Contribution) - Depreciation 17/18		(32 393)
Derecognition of Furniture and Fittings (Fire Extinguishers) -Depreciation 17/18		190
Recognition of Roads Infrastructure (Completed Projects) - Depreciation 17/18		(79 386)
Recognition of Stormwater Infrastructure (Completed Projects) - Accumulated Depreciation 17/18		(65 296)
Derecognition of Electrical Infrastructure - Accumulated Depreciation 17/18		517
Recognition of Electrical assets donated - Accumulated Depreciation 17/18		(5 676)
Amortisation		
Recognition of Intangible Assets from WIP (Munsoft) - Amortisation 17/18		(146 566)
Intangible Assets incorrectly capitalised (Javlin 5 Classic) - Amortisation 17/18		253
Donations		
Adjustment to provision in respect of developers contribution		2 789 548
Restated Surplus as at 30 June 2018		229 191 501

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
42. CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating Surplus before working capital		
Total Surplus for the year	248 666 343	229 191 502
Adjustment for:		
Depreciation of Property, Plant and Equipment	68 540 836	64 489 587
Donations of assets	(27 675 743)	(10 953 556)
Assets written off PPE	3 501 669	2 847 211
Impairment loss	818 871	4 075 102
Amortisation of intangible assets	1 503 672	2 858 078
Contribution to provision	630 181	137 755
Retirement obligation	(919 965)	4 263 169
Long service award	3 794 273	2 600 281
Investment Properties - Fair Value	(4 850 000)	(6 095 000)
Allowance for impairment	41 621 185	16 544 318
Bad debts written off	5 834 549	355 569
Donation expense	-	1 201 499
	341 465 872	311 515 516
Cash Generated by Operations		
Operating Surplus before working capital	341 465 872	311 515 516
Movement in current assets and liabilities		
(Increase)/decrease in inventory	1 690 525	(606 726)
Increase/(decrease) in conditional grants and receipts	(9 665 321)	5 034 864
(Increase)/decrease in trade and other receivables	(55 253 621)	(40 361 707)
Increase/(decrease) in Trade and Other Payables	69 563 500	5 655 629
Increase/decrease in VAT	(1 853 919)	(1 397 318)
Net cash flows from operating activities	345 947 035	279 840 258
Interest earned on Investments	(40 733 867)	(31 076 918)
Finance expense	22 222 847	23 102 861
43. FINES		
Total revenue from Fines Income	12 779 409	19 729 568
Fines are issued in terms of S341 & S56 of the Criminal Procedures Act 51 of 1977		
44. CONTRACTED SERVICES		
Refuse removal	28 940 176	25 769 186
Grass cutting	21 632 057	20 859 377
Survey and facilitation fees for roads and housing projects	287 000	-
Specialist financial and GRAP related services	925 379	1 320 257
Storm water	4 210 943	8 959 968
Pothole repairs	4 492 284	3 997 749
Other Contracted Services	10 958 303	7 935 215
Dump charges	18 142 125	17 448 126
Security Services	26 823 405	14 808 388
Shark Control Expenditure	3 634 758	3 907 193
Valuation and Valuation Rolls	810 855	682 243
Professional Fees	2 039 971	1 581 934
Commission on Electricity vending	7 514 493	5 215 286
Maintenance of building facilities and equipment	17 116 130	13 448 275
Electrical Mains Repairs	7 221 227	4 736 296
	154 749 106	130 669 492

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

45 FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives

Due to the largely non-trading nature of activities and the way in which they are financed, municipalities are not exposed to the degree of financial risk faced by business entities.

The municipality's Corporate Treasury function provides services to the business, co-ordinates access to domestic financial markets, monitors and manages the financial risks relating to the operations of the municipality. These risks include market risk (including, fair value and interest rate risk), credit risk and liquidity risk.

The use of financial derivatives is governed by the municipality's policies approved by the Council, which provide written principles on interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. The municipality does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

45.1 Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities into relevant maturity groupings based on the remaining period at the Statement of Financial Position to the contractual maturity date. The amounts disclosed in the table are the undiscounted cash flows.

	1 YEAR OR LESS	1 - 5 YEARS	TOTAL
	R	R	R
2019			
Gross finance lease obligations	939 758	1 602 325	2 542 083
Long Term Borrowings	9 830 016	211 098 042	220 928 058
Trade and other payables	295 614 278	-	295 614 278
Consumer deposits	33 500 617	-	33 500 617
Foreign Currency	3 183 457	-	3 183 457
Government Grants	42 569 118	-	42 569 118
	385 637 244	212 700 367	598 337 611

	1 YEAR OR LESS	1 - 5 YEARS	TOTAL
	R	R	R
2018			
Gross finance lease obligations	-	-	-
Long Term Borrowings	9 329 526	220 928 059	230 257 585
Trade and other payables	214 083 214	-	214 083 214
Consumer deposits	32 018 269	-	32 018 269
Foreign Currency	2 351 776	-	2 351 776
Government Grants	52 234 440	-	52 234 440
	310 017 225	220 928 059	530 945 284

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

45 FINANCIAL RISK MANAGEMENT ...continued

45,2 Maximum credit risk exposure

Credit rate risk consist mainly of cash deposits, cash equivalents and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party

Except as detailed below, the carrying amount of financial assets recorded in the Annual Financial Statements, which is net of impairment losses, represents the municipality's maximum exposure to credit risk without taking account of the value of any collateral obtained:

The maximum credit exposure in respect of the relevant financial instruments is as follows (domestic exposure only)

	2019	2018
	R	R
Short term Investments	132 756 847	106 872 971
Cash and Cash Equivalents	565 939 178	403 908 013
Interest rate swaps	-	-
Financial guarantees	-	-
Trade and other receivables	208 480 317	200 682 430
45,3 Market Risk:		
Interest rate risk		
As the municipality has no significant interest-bearing assets, the municipality's income and operating cash flows are substantially independent of changes in the market interest rates.		
At year end, financial instruments exposed to interest rate risk were as follows:		
Call deposits	-	-
Investment deposits	-	-
Bank balances and cash	565 939 178	403 908 013
Short term Investments	132 756 847	106 872 971
Maximum Interest exposure	698 696 025	510 780 984
Price risk		
The municipality is not exposed to equity price risks arising from equity investments as the municipality does not trade these investments.		
46. EVENTS AFTER THE REPORTING DATE		
NERSA has approved a 15.63 % increase in Eskom bulk purchase tariffs.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
47. UNAUTHORISED EXPENDITURE		
Overspending of amount appropriated in a vote	-	2 474 385
Reconciliation of Unauthorised expenditure written off		
Opening Balance	-	2 474 385
Incurred for the year	-	-
Written off by council	-	(2 474 385)
Remaining to be considered	-	-
48. FRUITLESS AND WASTEFUL EXPENDITURE		
Fruitless and wasteful expenditure	-	20 000
Reconciliation of Fruitless and Wasteful expenditure written-off by Council		
Opening Balance	3 738 033	3 718 033
Incurred for the year	-	20 000
Written Off by Council	(20 000)	-
Remaining to be considered	3 718 033	3 738 033
49 IRREGULAR EXPENDITURE:		
Other goods and/or services not procured through competitive bidding processes.	3 432 141	6 668 932
Irregular expenditure pertaining to grass cutting contracts.	18 873 824	-
Section 36 approvals subsequently reclassified as irregular expenditure.	38 943 175	10 553 634
Irregular expenditure pertaining to non-compliance with Section 17(1) of DORA	20 129 868	-
Irregular expenditure pertaining to Section 32 appointments	5 635 528	-
Irregular expenditure pertaining to local content specifications	410 519	-
Irregular expenditure pertaining to awards to entities whose Directors/members were in the service of the municipality	60 524	-
Irregular expenditure pertaining to variation orders	1 802 950	-
Irregular expenditure pertaining to the procurement of refuse removal services.	45 762 274	43 342 402
Irregular expenditure pertaining to the procurement of security services.	23 872 304	15 234 173
Irregular Expenditure pertaining to Turnkey Appointments	10 136 538	65 965 960
	169 059 645	141 765 101
Reconciliation of Irregular Expenditure Written-off by Council		
Opening Balance	56 122 940	475 085 152
Incurred for the year	169 059 645	141 765 101
Written-off by Council	(102 867 785)	-560 727 313
Remaining to be considered	122 314 800	56 122 940

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
50. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS		
Emergency	37 312 068	8 503 530
Sole Provider	1 307 878	2 395 926
Acquisition of social work of art or historic objects where specifications are difficult to compile	2 192 000	2 082 790
Any other exceptional case which it is impractical to follow the official procurement process	9 106 132	6 019 652
Section 36 deviation transferred to irregular expenditure	(38 943 175)	(10 553 634)
Total Section 36 deviations for the financial year	10 974 904	8 448 264
51. REPAIRS AND MAINTENANCE		
Buildings	25 349 290	23 859 920
Solid waste	29 200	35 615
Electrical	10 331 299	21 706 524
Furniture and fittings	911 002	1 022 396
Roads	7 225 979	6 677 951
Storm water	4 210 943	8 495 278
Vehicles	8 039 570	8 081 111
	56 097 284	69 878 795
52. MATERIAL LOSSES INCURRED		
Electricity distribution losses	115 101 490	93 913 322
Bad debts written off	5 834 549	355 569
Electricity energy losses of 122 149 967 kWh as at June 2019 (June 2018: 107 539 479 kWh) occurred during the year which resulted in revenue loss amounting to R115 101 490 (June 2018: R 93 913 322). The National norm for electricity losses ranges from 6% to 12%. The energy loss incurred by the municipality as at June 2019 is 18.05% (June 2018: 16.36%) and is mainly due to transmission/distribution losses and illegal connections.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
53. COUNCILLOR'S ARREAR CONSUMER ACCOUNTS AS AT 30 JUNE 2019		
In terms of Section 124 (1) (b) the following particulars are disclosed in respect of any owed by individual councillors during the financial year: The following councillor had debt in excess of 90 days for the months stipulated below:		
Councillor: V Govender		
July 2018	300 796	
August 2018	305 101	
September 2018	310 673	
October 2018	315 607	
November 2018	321 525	
December 2018	327 194	
January 2019	332 513	
February 2019	338 439	
March 2019	343 924	
April 2019	349 631	
May 2019	356 041	
June 2019	361 154	
In terms of S124 (1) (b) the above are disclosed in respect of any arrears owed by individual Councillors during the financial year. In terms of clause 30.2 of KwaDukuza Municipality Credit Control & Debt Collection Policy, this matter has been consistently reported to the Office of the Speaker. The Councillor had debt in excess of 90 days for the months as stipulated. The above account is under dispute and is currently being reviewed by the relevant parties.		
54. CONTRIBUTIONS TO ORGANISED LOCAL GOVERNMENT		
Amount paid current year	3 731 341	3 419 755
Audit Fees		
Amount paid - current year	3 993 047	4 443 714

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
55. VAT		
VAT received for the year	25 059 028	22 771 926
VAT paid for year	3 191 127	2 993 172
VAT input receivables and VAT output payables are shown in Note 11.		
All VAT returns have been submitted by the due date throughout the year.		
56. PAYE AND UIF		
Current year payroll deductions	58 359 112	54 064 642
57. PENSION AND MEDICAL AID DEDUCTIONS		
Current year payroll deductions and council contributions	92 051 056	88 136 026
58. BUDGET VERSES ACTUAL VARIANCES		
A high level overview of significant Operating Variances between the 30 June final budget and Actual amounts are summarised below:		
Significant for the purposes of this note is defined as greater than 15% and R 1 000 000.		
Revenue:		
58.1 Other Income		
Variance is as a result of higher recognition of demand based contribution than anticipated (R4m) and revenue on Special Rating Areas		
58.2 Interest received - investments		
Due to sound investment principles and a higher than expected cash holding as a result of low capital expenditure , interest received was higher than anticipated.		
58.3 Public contributions and donations		
At the time of budgeting, the timing of the transfer cannot be determined with sufficient reliability. Donations represents various assets for the Sugar Rush and Ballito Hills electrical infrastructure.		
58.4 Property rates - penalties imposed		
The Budget for Property rates revenue includes property rates- penalties imposed.		
58.5 Fines		
Traffic fines issued was substantially lower than anticipated.		

NOTES TO THE ANNUAL FINANCIAL STATEMENTS ...continued

FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018 RESTATED
	R	R
58. BUDGET VERSES ACTUAL VARIANCES ...continued		
Expenditure		
58.6 Debt Impairment		
A review of the debtors database has resulted in increased write-off's and an increased debt impairment. This is consistent with a decrease in overall collection levels.		
58.7 Depreciation		
As a result of fewer than expected capital assets being released from Work in Progress , the depreciation expense for the year was lower than anticipated.		
58.8 Contracted services		
Expenditure relating to Mr Price Pro expenditure (R6.2m); KDM Music Festival (R2.8m) and legal fees (R5.7m) are disclosed under general expenditure. Due to various efficiencies and the implementation of cost cutting measures, various savings were recognised.		
58.9 Other Expenses		
The variances can be found in Contracted services and Special rating expenditure under Property Rates.		
58.10 Loss on disposal of assets		
Various unforeseen losses on disposal of assets were recognised during the year end asset project.		
58.11 Capital Budget		
Non-adherence to procurement plans by the Business Units had the resultant effect of delays in awards of contracts.		

AUDITED APPENDIX A: SCHEDULE OF EXTERNAL LOANS

FOR THE YEAR ENDED 30 JUNE 2019

DESCRIPTION	LOAN NUMBER	INTEREST RATE	DATE REPAYABLE	
		%		
NON ANNUITY LOANS				
DBSA R43M LOAN	101267/1	10,43%	31/03/2026	
DBSA R28.9M (ELECT)	61006918/19	9,73%	30/09/2030	
DBSA: R5.888 LOAN	61006918/19	9,73%	31/12/2032	
TOTAL EXTERNAL LOANS				

	BALANCE AT 30/06/2018	RECEIVED DURING THE YEAR	REDEEMED / ADJUSTMENTS / (INTEREST CAPITALISED) DURING THIS PERIOD	BALANCE AT 30/06/2019
	R	R	R	R
	16 664 362,23	-	2 083 045	14 581 317
	135 774 178,44	-	4 606 350	131 167 829
	77 819 043,87	-	2 640 132	75 178 912
	230 257 585	-	9 329 527	220 928 058

AUDITED APPENDIX B: ANALYSIS OF PROPERTY PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2019

	COST /REVALUATION							
	OPENING BALANCE	ADDITIONS	WIP BROUGHT INTO USE	ASSETS FAIR VALUED	ASSETS DONATED	RECOGNITION OF EXPENSED ITEMS	DISPOSALS	
Infrastructure Roads	770 579 660	42 435,00	55 566 248,91				-98 264	
Buildings	236 696 945	2 473 600,15	21 637 764,83					
Cemeteries	13 055 385							
Solid Waste	5 260 016	502 802,60				179 000		
Housing Assets	8 972 974							
Stormwater Infrastructure	234 548 659	100 460,00	26 676 905,59				-4 905	
Developed Land	141 787 924						(966 200,00)	
Electricity Infrastructure	740 853 343	-	17 294 351,94		27 512 743,79	6 014 421,00		
Vehicles	67 529 065	3 544 175,35						
Leased Assets	331 622	2 977 194					(6 290,04)	
Undeveloped Land	253 770 750	69 000					(927 500,00)	
Assets under Construction	151 637 654	134 163 106,65	(121 773 143,44)				(1 592 879,90)	
Furniture and Fittings	56 216 057	2 802 102,30	411 622,17	67 209,28	162 999		(13 073,11)	
	2 681 240 053	146 674 876	-186 250	67 209	27 675 743	6 193 421	-3 609 112	

		ACCUMULATED DEPRECIATION						
	CLOSING BALANCE	OPENING BALANCE	ADDITIONS	DISPOSALS	IMPAIRMENT	TRANSFERS	CLOSING BALANCE	CARRYING VALUE
	826 090 079	-210 090 140	-21 741 870	64 715	-8 348		231 775 644	594 314 436
	-						-	
	260 808 310	-63 721 051	-14 256 402		-240 764		78 218 216	182 590 094
	-						-	
	13 055 385	-3 180 399	-587 875				3 768 274	9 287 111
	-						-	
	5 941 819	-1 826 245	-329 460				2 155 705	3 786 114
	-						-	
	8 972 974	-6 655 829	-402 366				7 058 195	1 914 778
	-						-	
	261 321 120	-70 921 690	-5 035 680	4 577	-362 868		76 315 661	185 005 459
	-						-	
	140 821 724	-					-	140 821 724
	-						-	
	791 674 859	-235 611 120	-17 979 001		-202 924		253 793 045	537 881 814
	-						-	-
	71 073 240	-41 405 834	-3 277 832				44 683 666	26 389 574
	-						-	-
	3 302 526	-306 841	-504 288	5 237,99			805 892	2 496 634
	-						-	-
	252 912 250	-					-	252 912 250
	-						-	-
	162 434 737	-207 213					207 213	162 227 524
	-						-	-
	59 646 917	-41 290 014	-4 426 142	10 633,27	-3 968		45 709 491	13 937 427
	-						-	-
	2 858 055 941	-675 216 376	-68 540 917	85 163	-818 871	-	744 491 001	2 113 564 940

AUDITED APPENDIX C: SEGMENTAL ANALYSIS OF PROPERTY, PLANT AND EQUIPMENT FOR THE YEAR ENDED 30 JUNE 2019

	COST / REVALUATION				
	OPENING BALANCE	ADDITIONS	DISPOSALS	CLOSING BALANCE	
001 EXECUTIVE AND COUNCIL	188 162 142	18 544 695	(1 893 700)	204 813 137	
002 FINANCE AND ADMINISTRATION	192 231 553	22 895 741	(19 363)	215 107 931	
003 PLANNING AND DEVELOPMENT	16 352 502	104 931		16 457 433	
005 COMMUNITY AND SOCIAL SERVICES	475 295 769	43 659 845		518 955 614	
007 PUBLIC SAFETY	28 329 476	504 856		28 834 332	
010 ROAD TRANSPORT	884 653 368	68 867 981	(1 696 049)	951 825 300	
011 ELECTRICITY	896 215 243	25 846 950		922 062 193	
		-			
Grand Total	2 681 240 054	180 424 999	(3 609 112)	2 858 055 941	

	ACCUMULATED DEPRECIATION					
	OPENING BALANCE	ADDITIONS	DISPOSALS	IMPAIRMENT	CLOSING BALANCE	CARRYING VALUE
	10 667 137	1 539 458		240 764	12 447 359	192 365 778
	27 036 183	4 258 632	(15 871)	3 968,00	31 282 912	183 825 019
	8 839 063	1 745 894			10 584 957	5 872 476
	63 526 619	9 365 847			72 892 466	446 063 148
	21 461 910	3 845 621			25 307 531	3 526 801
	263 867 778	22 515 148	(69 292)	371 216,16	286 684 851	665 140 449
	279 817 685	25 270 316		202 924,00	305 290 925	616 771 269
	675 216 376	68 540 916	(85 163)	818 872	744 491 000	2 113 564 940

AUDITED APPENDIX D: SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	2019 ACTUAL REVENUE	2019 ACTUAL EXPENDITURE	2019 (SURPLUS) / DEFICIT
	R	R	R
Executive and Council	(74 741 137)	82 984 269	8 243 132
Finance and Administration	(542 726 090)	148 099 301	(394 626 789)
Planning and Development	(23 730 949)	54 465 589	30 734 640
Community and Social Services	(14 817 640)	36 510 605	21 692 965
Housing	(5 410 116)	11 056 284	5 646 168
Public Safety	14 465	31 747 604	31 762 069
Sports and Recreation	(38 857 198)	84 956 797	46 099 599
Waste Management	(75 214 169)	82 098 870	6 884 700
Road Transport	(88 316 086)	148 670 427	60 354 342
Electricity	(852 807 452)	787 350 283	(65 457 169)
Sub Total	(1716 606 373)	1 467 940 030	(248 666 343)

AUDITED APPENDIX E: ACTUAL VERSUS BUDGET (REVENUE AND EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2019

	ACTUAL 2019	BUDGET 2019	BUDGET AFTER VIREMENTS 2019	VARIANCE 2019	VARIANCE 2019
	R	R	R	R	%
REVENUE					
Revenue from non-exchange transactions					
Property rates	(441 683 306)	(451 290 799)	(451 290 799)	9 607 493	-2,13%
Property rates - penalties imposed and collection charges	(14 684 033)	(13 000 000)	(13 000 000)	(1 684 033)	12,95%
Fines	(12 779 409)	(25 319 169)	(25 319 169)	12 539 760	-49,53%
Government grants and subsidies	(235 503 810)	(238 312 000)	(238 312 000)	2 808 190	-1,18%
Licences and permits	(11 136 751)	(10 642 918)	(10 642 918)	(493 833)	4,64%
Public donations - Property, plant and equipment	(27 675 743)	-	-	(27 675 743)	
Revenue from exchange transactions					
Service charges	(868 459 465)	(834 017 698)	(834 017 698)	(34 441 767)	4,13%
Rental of facilities and equipment	(1 226 997)	(1 630 164)	(1 630 164)	403 167	-24,73%
Interest earned investments	(40 758 071)	(30 025 216)	(30 025 216)	(10 732 855)	35,75%
Interest earned outstanding debtors	(6 347 681)	(6 850 004)	(6 850 004)	502 323	-7,33%
Other income	(51 501 105)	(119 144 408)	(119 144 408)	67 643 303	-56,77%
Revaluation of investment properties	(4 850 000)	-	-	(4 850 000)	
Total Revenue	(1 716 606 373)	(1 730 232 376)	(1 730 232 376)	13 626 004	
EXPENDITURE	1 715 717 732				
Executive and Council	82 984 269	106 862 305	106 861 680	(23 877 411)	-22,34%
Finance and Administration	148 099 301	164 728 562	164 688 387	(16 589 086)	-10,07%
Planning and Development	54 465 589	65 238 532	65 238 531	(10 772 942)	-16,51%
Community and Social Services	36 510 605	39 881 815	39 881 815	(3 371 210)	-8,45%
Housing	11 056 284	17 544 657	17 529 658	(6 473 374)	-36,90%
Public Safety	31 747 604	33 210 930	33 210 930	(1 463 326)	-4,41%
Sports and Recreation	84 956 797	101 507 116	101 490 255	(16 533 458)	-16,29%
Waste Management	82 098 870	82 255 063	82 255 063	(156 193)	-0,19%
Road Transport	148 670 427	187 685 865	187 743 520	(39 073 093)	-20,82%
Electricity	787 350 283	857 707 092	857 722 097	(70 371 814)	-8,20%
Total Expenditure	1 467 940 030	1 656 621 938	1 656 621 936	(188 681 907)	-7,10%
				-	
SURPLUS FOR THE YEAR	(248 666 343)	(73 610 439)	(73 610 440)	(175 055 903)	

AUDITED APPENDIX F: GRANTS AND SUBSIDIES RECEIVED - 2018/2019

NAME OF GRANTS	NAME OF ORGAN OF STATE OR MUNICIPAL ENTITY	UNSPENT PORTION 2017/2018 FINANCIAL STATEMENTS	RETURNED TO NATIONAL TREASURY	QUARTERLY RECEIPTS				TOTAL RECEIPTS	
				JULY TO SEPT 1	OCT TO DEC 2	JAN TO MAR 3	APR TO JUN 4		
				R	R	R	R		
Equitable Share	National Treasury	-	-	61 615 000	49 292 000	36 969 000	-	147 876 000	
Municipal Infrastructure Grant (MIG)	COGTA	-	-	26 000 000	24 665 000	3 301 000	-	53 966 000	
INEP Grant	Integrated National Electrification Grant	15 924 506	-15 924 506	-	-	-	9 920 000	9 920 000	
Finance Management Grant	National Treasury	-	-	1 800 000	-	-	-	1 800 000	
Museum	Office of the Premier	-	-	192 000	-	-	-	192 000	
DPT Sports	Department of Sports & recreation	94 541	-	-	50 000	-	-	50 000	
Municipal Assistance Programme Grant	DPLG	284 402	-	-	-	-	-	-	
New Library	Department of Arts & Culture	491 516	-	591 000	-	-	-	591 000	
Small Town Rehabilitation Grant	COGTA	-	-	-	-	5 000 000	-	5 000 000	
EPWP	National Treasury	-	-	385 000	693 000	462 000	-	1 540 000	
Housing Accreditation	Department of Human Settlements	17 747 140	-	-	-	3 056 988	443 006	3 499 994	
Library Subsidy	Department of Arts & Culture	-	-	-	5 028 000	-	-	5 028 000	
Energy Efficiency Demand Side Management EEDM)	National Treasury	-	-	2 000 000	2 000 000	1 000 000	-	5 000 000	
		34 542 105	(15 924 506)	92 583 000	81 728 000	49 788 988	10 363 006	234 462 994	

	QUARTERLY EXPENDITURE				TOTAL EXPENDITURE	UNSPENT PORTION 2018/2019 FINANCIAL STATEMENTS	GRANTS AND SUBSIDIES DELAYED / WITHHELD	REASON FOR DELAY WITHHOLDING OF FUNDS	DID YOUR MUNICIPALITY COMPLY WITH THE GRANT CONDITIONS IN TERMS OF GRANT FRAMEWORK IN THE LATEST DIVISION OF REVENUE ACT	REASON FOR NON - COMPLIANCE
	JULY TO SEPT 1	OCT TO DEC 2	JAN TO MAR 3	APR TO JUN 4						
	R	R	R	R	R	R	R	R	R	R
	61 615 000	49 292 000	36 969 000	-	147 876 000	-	NO	N/A	YES	N/A
	16 133 726	5 131 803	7 247 680	24 060 488	52 573 697	1 392 303	NO	N/A	NO	The municipality did not obtain pre-approval for prior period expenditure which was authorised by COGTA. AG and Treasury deemed contrary to DORA.
	-	-	-	9 307 002	9 307 002	612 998	YES	Poor spending in prior year resulted in delay in transfer of allocation.	YES	N/A
	204 806	185 895	343 325	1 065 974	1 800 000	-	NO	N/A	YES	N/A
	192 000	-	-	-	192 000	-	NO	N/A	YES	N/A
	22 269	22 381	22 381	54 222	121 253	23 288	NO	N/A	YES	N/A
	36 190	27 081	74 177	54 719	192 166	92 236	NO	N/A	YES	N/A
	155 882	154 043	143 010	292 821	745 755	336 761	NO	N/A	YES	N/A
	-	-	-	989 662	989 662	4 010 338	NO	N/A	YES	N/A
	425 170	556 550	441 928	116 352	1 540 000	-	NO	N/A	YES	N/A
	-	1 206 114	1 248 111	1 674 371	4 128 596	17 118 538	NO	N/A	YES	N/A
	-	-	5 028 000	-	5 028 000	-	NO	N/A	YES	N/A
	-	-	-	4 641 005	4 641 005	358 995	NO	N/A	YES	N/A
					-					
	78 785 043	56 575 868	51 517 611	42 256 616	229 135 138	23 945 455				

1.1 MANAGEMENT RESPONSE AND ACTION PLAN TO PREVIOUS FINDINGS

AG REF NO	NATURE OF ISSUE/ FINDING	ISSUE/FINDING	RESPONSIBLE OFFICIAL	MANAGEMENT RESPONSE AND ACTION REQUIRED TO ADDRESS THE FINDINGS	TIMEFRAME
1.	Uncertainty relating to future reimbursement of bulk electricity supply costs	With reference to note 38 to the financial statements, the municipality has entered into service level agreements with property developers to reimburse them for the cost of bulk electricity supplies. The reimbursements are dependent on the developers meeting future targets as set out in the service level agreements. The timing and outcome of the reimbursement cannot currently be determined and no provision for any liability that may result had been made in the financial statements.	CFO ED: Electrical Services. ED: EDP	This will be assessed on an annual basis for the purposes of the AFS. Uncertainty will always remain, as certain factors are dependent on third parties. Furthermore, Service Level Agreement will be revised	Quarterly
1.	Material losses – electricity	As disclosed in note 52 to the financial statements, material electricity losses of R115,1 million (2017-18: R93,91 million) were incurred, which represents 18,05% (2017-18: 16,36%) of total electricity purchased. Technical losses were due to transmission/distribution losses while non-technical losses were mainly due to illegal connections.	CFO ED: Electrical Services	Municipality will perform meter audits and repairs and introduce smart metering project. In performing this exercise Municipality will also be assisted by internal data.	30 June 2019
2.	Underspending of capital budget	As disclosed in the statement of comparison of budget with actual information, the municipality materially underspent on its' capital budget by R86,71 million which represents 37% of the total capital budget. The main reason for this underspending was the non-adherence to procurement plans for capital projects which delayed the awarding of contracts.	All EDs	Strict monthly monitoring of the procurement plan. PMU & Technical Committees sit quarterly for the monitoring of projects vs budget control expenditure report. Produce unbiased tender specifications to ensure no objections are raised thus delaying service delivery. All Business units to develop and implement an annual procurement plan which will be used as a tool to pre-plan and schedule procurement of goods and services as per the approved capital budget.	Monthly/ Quarterly
	OPMS Number 41: The number of households with access to basic level of electricity (NKPI)	I was unable to obtain sufficient appropriate audit evidence for the reported achievement of target of 67 281 households. This was due to limitations placed on the scope of my work. I was unable to confirm the reported achievement by alternative means. Consequently, I was unable to determine whether any adjustments were required to the achievement of 62 547 households as reported in the annual performance report.	ED: Electrical Services	Implementation of 2019-20 infills projects Obtain formal statistics of metered customers (residential) on quarterly basis	Quarterly
4.	Adjustment of material misstatements	I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of development objective 4 - basic service delivery and infrastructure development as management subsequently corrected only some of the misstatements, I raised material findings on the usefulness and reliability of the reported performance information. Those that were not corrected are included in the basis for qualified opinion paragraphs	All EDs Dir: PM&E	Quarterly performance reports submitted by respective line Managers will be verified by immediate Supervisor prior to submission to PM &E. Each line Manager and Senior Manager shall sign a declaration form confirming that the performance information submitted is reliable, credible and accurate.	Quarterly

AG REF NO	NATURE OF ISSUE/ FINDING	ISSUE/FINDING	RESPONSIBLE OFFICIAL	MANAGEMENT RESPONSE AND ACTION REQUIRED TO ADDRESS THE FINDINGS	TIMEFRAME
5.	Expenditure management	Reasonable steps were not taken to prevent irregular expenditure of R169,06 million (2016-17: R141,77 million) disclosed in note 49 to the annual financial statements, as required by section 62(1)(d) of the MFMA.	All EDs	Business Units will exercise due care when procuring their goods and services to ensure maximum compliance with relevant and applicable legislations. In events that Business Units incurred irregular expenditure, it is notified accordingly through register of irregular expenditure, which is compile by Finance Business Unit. Then, Business Unit which incurred irregular will prepare report to MPAC for investigation. The previous stance of Council was that this reporting should occur after the necessary transaction. This was based on the strength of the relevant BU incurring the expenditure for the need of key service delivery matters. However, the office of the CFO has developed and implemented a SOP relating to the pro-active identification and escalation of all irregular expenditure, such that this is only incurred with the explicit approval of the Accounting Officer. This process shall therefore serve to reduce the instances of irregular expenditure and assist in the development of processes to accelerate service delivery. Director Expenditure submits to Council, AG and COGTA reports on monthly UIFW incurred. These items are submitted to MPAC for further investigation. The Office of the Municipal Manager Business Unit will ensure that Irregular Expenditure is reduced and shall endeavour by all means to ensure that there is no repetition of Irregular Expenditure by ensuring that it follows all compliant SCM processes to acquire goods and services. This include ensuring that there is no repeat audit finding on 'irregular expenditure'.	Quarterly
6.	Procurement and contract management	Some of the goods and services with a transaction value above R200 000 were procured without inviting competitive bids, as required by SCM regulation 19(a). Deviations were approved by the Accounting Officer even though it was not impractical to invite competitive bids, in contravention of SCM regulation 36(1). Similar non-compliance was also reported in the prior year.	All EDs	The reason why Section 36 was used is that this was an emergency which is an unforeseen and unavoidable expenditure, related to disaster management and other emergency services. Business Units will strictly monitor its own procurement plan to ensure that procurement process start in time. Municipality will appoint a panel of contractors and consultants to deal with emergency works.	Ongoing
7	Consequence management	Some of the irregular expenditure incurred by the municipality was not investigated to determine if any person is liable for the expenditure, as required by section 32(2)(b) of the MFMA.	All EDs	Municipality, through Finance Business Units, will review UIFW register to identify uninvestigated UIFW expenditure and email this to all ED's for ED's to prepare report to MPAC for further investigation.	Quarterly
8	Utilisation of conditional grants	The Municipal Infrastructure Grant was not spent for its intended purposes in accordance with the applicable grant framework, as required by section 17(1) of the Division of Revenue Act (Act 3 of 2017).	ED: Electrical Services ED: Civil & Human Settlements CFO	Municipality, through Civil Engineering and Human Settlement Business Unit, will ensure that MIG funds are spend in terms of DORA. Ensure alignment between implementation plan and council budget and coordinate quarterly with finance to ensure compliance with budget expenditure	Quarterly

Table 44: Action plan to 2018/2019 AG queries

APPENDIX A: COUNCILLORS; COMMITTEE ALLOCATION AND COUNCIL ATTENDANCE

► PURPOSE OF THE COUNCIL COMMITTEE

Established in terms of Municipal Structures Act, section 80. Portfolio Committees meet on monthly basis to discuss service delivery issues and ways to improve service delivery where needed. The Council continues with its role as a strong and effective advocate, lobbying on behalf of our community for action on important local issues and continues to receive grants from other spheres of government and external bodies.

LIST OF COUNCILLORS	POLITICAL PARTY	WARD REPRESENTED	PLANNED MEETINGS	COUNCIL MEETINGS ATTENDED
Cllr RZP Zulu	ANC	SPEAKER	12	23
Cllr NR Mthembu	ANC	MAYOR	12	14
Cllr G Govender	ANC	19	12	23
Cllr DW Ndimande	ANC	01	12	22
Cllr OL Nhaca	ANC	PR	12	21
Cllr NR Khumalo	ANC	PR	12	17
Cllr JA Vallan	ANC	16	12	24
Cllr JS Phahla	ANC	23	12	20
Cllr TV Ntuli	ANC	PR	12	20
Cllr V Govender	ANC	28	12	16
Cllr ME Ngidi	ANC	08	12	13
Cllr IP Dube	ANC	09	12	22
Cllr GJ Van Whye	ANC	03	12	19
Cllr GZ Mngomezulu	ANC	PR	12	24
Cllr NJ Mpanza	ANC	PR	12	23
Cllr H Mbatha	ANC	12	12	23
Cllr R Singh	ANC	13	12	19
Cllr SW Ntuli	ANC	14	12	18
Cllr ME Zungu	ANC	PR	12	22
Cllr LAE Yingwana	ANC (Deceased)	18	12	14
Cllr M Suleman	ANC	PR	12	24
Cllr MS Mhlongo	ANC	PR	12	20
Cllr TT Dube	ANC	10	12	19
Cllr NP Dube	ANC	20	12	16
Cllr CD Mthembu	ANC	PR	12	19
Cllr VV Shezi	ANC	24	12	22
Cllr IT Nxumalo	ANC	11	12	19

► PURPOSE OF THE COUNCIL COMMITTEE ...continued

LIST OF COUNCILLORS	POLITICAL PARTY	WARD REPRESENTED	PLANNED MEETINGS	COUNCIL MEETINGS ATTENDED
Cllr M Ndlela	ANC	04	12	20
Cllr NR Shezi	ANC	PR	12	23
Cllr TS Ngidi	ANC	26	12	23
Cllr PB Mabaso	ANC	15	12	21
Cllr SMR Mfeka	ANC	25	12	17
Cllr BI Dindi	ANC	07	12	23
Cllr EB Majola	ANC	PR	12	15
Cllr SL Cele	ANC	29	12	17
Cllr N Qwabe	ANC	PR	12	21
Cllr MS Sing	DA	17	12	14
CLLR Hubner	DA (Deceased)	22	12	11
Cllr P Naidoo	DA	PR	12	13
Cllr AL Sahadew	DA	PR	12	14
Cllr TK Gumede	DA	06	12	21
Cllr T Colley	DA	PR	12	21
Cllr V Pillay	DA	21	12	22
Cllr TP Du Toit	DA	PR	12	24
Cllr S Naidoo	DA	PR	12	24
Cllr M Naidoo	DA	PR	12	15
Cllr AL Nzama	DA	PR	12	21
Dr. JLT Sibiya	IFP	05	12	13
Cllr MSCM Motala	IFP	PR	12	7
Cllr N Dasrath	IFP	PR	12	23
Cllr AM Baardman	IFP	PR	12	23
Cllr AK Dawood	AL-JAMA-AH	PR	12	9
Cllr DH Mthembu	AIC	PR	12	13
Cllr LI Mthembu	EFF	PR	12	21
Cllr T Nkosi	EFF	PR	12	20
Cllr CM Ntleko	Independant	03	12	11
Cllr MM Madlala	Independent	27	12	17

Table 45: Political Party Representation

APPENDIX B: COMMITTEE AND COMMITTEE PURPOSE

► PURPOSE OF THE MAYORAL COMMITTEE- EXECUTIVE COMMITTEE

Members of the Mayoral Committee are appointed by the Mayor from among Councillors. The duties of the Mayoral Committee are to assist the Mayor in the execution of his duties. The Mayor may delegate specific responsibilities to each member of the Mayoral Committee. The following Councillors are the members of the Mayoral Committee of KwaDukuza Municipality.

COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED EXCO MEETINGS	EXCO MEETINGS ATTENDED
Executive Committee	Cllr NR Mthembu	28	16
	Cllr G Govender	28	23
	Cllr JA Vallan	28	22
	Cllr NR Khumalo	28	22
	Cllr JS Phahla	28	20
	Cllr TV Ntuli	28	21
	Cllr MS Sing	28	19
	Dr. JLT Sibiya	28	19
	Cllr MW Hubner (Deceased)	28	17

Table 46: Exco Members

► PURPOSE OF THE PORTFOLIO COMMITTEES

KwaDukuza Municipality have 5 Portfolio Committees, which are all chaired by the members of Executive Committee as prescribed by the legislation. Portfolio Committees meet on monthly basis to discuss service delivery issues and ways to improve service delivery where needed.

COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED PORTFOLIO COMMITTEE MEETINGS	PORTFOLIO COMMITTEE MEETINGS ATTENDED
LPA/HR Portfolio	Cllr NR Khumalo,	10	10
	Cllr IT Nxumalo,	10	7
	Cllr V Govender,	10	7
	Cllr R Singh,	10	9
	Cllr E Dawood,	10	3
	Cllr AL Sahadew	10	5
	Cllr BI Dindi	10	10
Finance Portfolio (FPC)	Cllr JA Vallan,	12	8
	Cllr LAE Yingwane,	12	6
	Cllr TP Du Toit,	12	8
	Cllr SL Cele	12	5
	Cllr CD Mthembu,	12	7
	Cllr IP Dube	12	8
	Cllr N Dasrath	12	8

► PURPOSE OF THE PORTFOLIO COMMITTEES ...continued

COMMITTEES OF COUNCIL	NAMES OF COUNCILLORS	PLANNED PORTFOLIO COMMITTEE MEETINGS	PORTFOLIO COMMITTEE MEETINGS ATTENDED
Infrastructure & Technical Portfolio (IAT)	Cllr TV Ntuli	9	9
	Cllr NJ Mpanza	9	7
	Cllr S Mhlongo	9	7
	Cllr M Suleman	9	9
	Cllr CN Ntleko	9	9
	Cllr TK Gumede	9	9
	Cllr M Ndlela	9	7
Economic Development & Planning Portfolio (EDP)	Cllr NR Mthembu	14	4
	Cllr PB Mabaso	14	9
	Cllr VV Shezi	14	11
	Cllr ME Zungu	14	11
	Cllr DW Ndimande	14	10
	Cllr T Colley	14	12
	Cllr T Nkosi	14	4
Municipal Services Portfolio (MS)	Cllr D Govender,	11	10
	Cllr H Mbatha,	11	11
	Cllr SW Ntuli	11	10
	Cllr GJ Van Whye	11	10
	Cllr TT Dube,	11	11
	Cllr AM Baardman,	11	6
	Cllr P Naidoo	11	11
Youth, Sports and Gender Portfolio (YSG)	Cllr J Phahla	8	7
	Cllr M Ngidi	8	3
	Cllr NR Shezi	8	7
	Cllr TS Ngidi	8	6
	Cllr GZ Mngomezulu	8	8
	Cllr V Pillay	8	8
	Cllr DH Mthembu	8	5

APPENDIX C: THIRD TIER ADMINISTRATIVE

Organisational structure was adopted in June 2018/2019 financial year.



APPENDIX D: FUNCTIONS OF A MUNICIPALITY

KwaDukuza Municipality is one of the Local Municipalities within the family of ILembe District Municipality. As a Local Authority, KwaDukuza is responsible for the delivery of the following Schedule 4 Part B functions,

- ▶ Air and Noise Pollution
- ▶ Building, Trading Regulations,
- ▶ Fire Fighting Services
- ▶ Child Care Facilities
- ▶ Local Tourism
- ▶ Pontoons, Ferries, Jetties, Piers and Harbours
- ▶ Municipal Planning
- ▶ Municipal Public Transport
- ▶ Municipal Public Works
- ▶ Municipal Health Services
- ▶ Municipal Airports
- ▶ Storm Water Management
- ▶ Municipal Buildings and assets

The Municipality is also responsible for the following Schedule 5 Part B functions,

- ▶ Beaches and Amusement Facilities
- ▶ Billboards and Display of Advertisements in Public Places
- ▶ Cemeteries, Funeral Parlours and Crematoria
- ▶ Cleansing and Trade Areas
- ▶ Public, Nuisance Control Fire Fighting Services
- ▶ Liquor and Public, Nuisance Control
- ▶ Facilities for Accommodation, Care and Burial of Animals
- ▶ Fencing and Fences
- ▶ Licensing of dogs;
- ▶ Municipal Roads
- ▶ Local Amenities
- ▶ Licensing and control of undertakings that sell food to the public
- ▶ Local Sport Facilities
- ▶ Markets Stalls/Trade Areas
- ▶ Municipal Parks and Recreation
- ▶ Municipal Abattoirs

KwaDukuza Municipality is not responsible for the provision of water and sanitation as it is the competency of iLembe District Municipality.

APPENDIX E: WARD REPORTING

WARD COMMITTEE FUNCTIONALITY INDICATORS

INDICATOR	MINIMUM REQUIREMENT	EVIDENCE REQUIRED
Number of ward committee meetings held	One meeting per month	Minutes and attendance register
Number of ward committee meetings chaired by Ward Councillor i.t.o. Sec 73 of the Municipal Structures Act;	One meeting per month	Minutes and attendance Register
Percentage attendance by ward committee members	50% + 1	Attendance register
Number of community feedback meetings held	One per quarter	Minutes / Report and attendance register
Percentage of reports submitted by ward committee members	100% submission of reports per month	Ward committee members' reports
Submission of ward reports on planned activities	One report per quarter	Ward report by ward councillor

APPENDIX F: WARD INFORMATION

1. Progress on functionality of ward committees as at end of 2018/2019 financial year:

FIRST QUARTER FUNCTIONALITY RESULTS OF 2018/2019 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS
KwaDukuza	29	24	2, 3, 4, 7, 8, 9, 11, 12, 13, 14, 15, 17, 19, 20, 21, 22, 23, 24, 25, 26, 27 & 28, 29	5 (5, 6, 10, 16, 18)
Percentage of functional wards	83%			
Percentage of non-functional wards	17%			

SECOND QUARTER FUNCTIONALITY RESULTS OF 2018/2019 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS
KwaDukuza	29	18	1, 2, 3, 4, 5, 7, 8, 11, 12, 13, 14, 15, 16, 18, 20, 21, 24, 28	6, 9, 10, 17, 19, 22, 23, 25, 26, 27, 29
Percentage of functional wards	62%			
Percentage of non-functional wards	38%			

THIRD QUARTER FUNCTIONALITY RESULTS OF 2018/2019 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS	NON-FUNCTIONAL WARDS
KwaDukuza	29	20	1, 2, 3, 4, 7, 8, 9, 11, 13, 14, 16, 17, 18, 20, 21, 23, 24, 25, 27 & 29.	9	6, 5, 10, 12, 15, 19, 22, 26, 28,
Percentage of functional wards	69%				
Percentage of non-functional wards	31%				

FOURTH QUARTER FUNCTIONALITY RESULTS OF 2018/2019 FINANCIAL YEAR

NAME OF MUNICIPALITY	NUMBER OF WARDS	NUMBER OF FUNCTIONAL WARDS	FUNCTIONAL WARDS	NO OF NON-FUNCTIONAL WARDS	NON-FUNCTIONAL WARDS
KwaDukuza	29	19	1, 2, 3, 4, 5, 7, 9, 10, 11, 13, 14, 15, 16, 17, 21, 23, 24, 26 & 27	10	6, 8, 12, 18, 19, 20, 22, 25, 28 & 29
Percentage of functional wards	66%				
Percentage of non-functional wards	34%				

The Status Report for the Fourth Quarter is currently awaited to be submitted by COGTA Public Participation Unit after conducting a Municipal Specific verification was conducted on the 25th of July 2019. The Department had promised to submit this before the end of August 2019.

APPENDIX G: RECOMMENDATIONS OF MUNICIPAL AUDIT COMMITTEE

RECOMMENDATIONS OF THE AUDIT COMMITTEE

1. **Consequence Management:** The AUDCOM expressed concern at the number of instances where audit findings were repeated, particularly as regards to Performance Management. The AUDCOM also expressed concern at the delays experienced in obtaining management comment on the IAD reports and urged management to address this urgently. It is unacceptable that Performance Management is not prioritised by the senior management team and AUDCOM recommends that Council actively involves itself to ensure that stringent measures such as consequence management are implemented, so that compliance can be adhered to.
2. **Executive Directors' meeting attendance:** In future AUDCOM will include the names of EDs who do not attend AUDCOM meetings in our reports and we urge Council to take action.
3. **Irregular Expenditure:** Adequate steps are not being taken to prevent irregular expenditure. Overall consequence management is not yet tangible in the Municipality and AUDCOM urge Council to take action.
4. **Internal Audit Department resource constraints:** Constraints on IAD resources has resulted in the approved 2018/2019 audit plan not being completed, which increases the risk profile of the Municipality. AUDCOM recommends that the MM evaluate the IAD resources and take appropriate action.
5. **Enterprise Risk Management** has deteriorated and AUDCOM recommends that the MM takes action to improve this.

APPENDIX H: LONG TERM CONTRACTS AND PUBLIC PRIVATE PARTNERSHIP-

1. The cutting of grass and litter picking within the KwaDukuza Municipality.
2. Provision of Indigent and Pauper Burial Services for a period of 3 years.
3. The Manufacturing, Supply and Delivery of Refuse Bin Bags for KwaDukuza Municipality for a three-year period.

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE

The monitoring of the service provider performance is ensured through the signing of the Service Level Agreement. It is currently being done by user department levels. The end user department is providing monthly reports to the SCM unit as well. Service providers who fail to perform are reported to SCM and the necessary action is taken including the termination of the contract or cancellation of an order. The following are the service providers engaged in each business unit during the 2018/2019 financial year.

ASSESSMENT KEY	
Good (G)	The service has been provided at acceptable standards and within the time frames stipulated in the SLA/Contract
Satisfactory (S)	The service has been provided at acceptable standards and outside of the timeframes stipulated in the SLA/Contract
Poor (P)	The service has been provided below acceptable standards

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
	EOH/Combined Systems	28/06/2019	Yes	R1 203 284	
No tender, old contract	South African Post Office SOC Limited	Jul 16	Provisions of electronic payment processing (for consumer accounts)	No fixed amount	
MN 146/2016 No Section 32 Appointment (eThekweni Mun)	Easypay Pty Ltd, Pay@, Syntell, Pay City	Jul 16	Provision of electronic payment processing (for consumer accounts & traffic fines)	No fixed amount	
MN 197/2013	E-Valuations	Mar-15	General valuation roll	R5 562 392	
MN 197/2013 (extension until 30.06.2021)	E-Valuations	Mar-15	Maintenance of valuation roll	R683 179	
n/a	Korbitec	On-going	Electronic rate clearance	n/a	
n/a	E4/Law Property	On-going	Electronic rate clearance	n/a	
n/a	Windeed	On-going	Provision of deeds information to assist the revenue department	Payment based on the number of searched done and the types of searches performed	
MN 142/2015	Mailtronic Direct Marketing CC	01 May 2016	Printing & mailing of monthly statements	R620 987, 31	
MN 03/2019	Inside Data	01 May 2019	Printing & mailing of monthly statements	R859 453.79	
M/N 59/2011 Extension until 31 Aug 2019	Contour Technology (Pty) Ltd	2014/02/20	Installation & management of pre-paid electricity vending system	Commission based on sales in terms of contract	
MN155/2014	Aurecon		Yes	R66.5 mil	
MN179/2018	Yebo Yes	3.06.19	Yes	R8 565 416	
MN192/2018	Edison Power	3.06.19	Yes	R4 652 870.02	
MN113/2018	Capital Power	6.03.2019	Yes	R6332 846.45	
MN67/2019	Veritas	3.06.19	Yes		
MN37/2019	IX Engineers		Yes		
MN157/2019	BTMN		Yes		
MN179/2018	Lesedi		Yes		
MN158/2019	SMEC		Yes		
MN38/2019	PSMT		Yes		
MN30/2019	Esethu Isipho		Yes		

[illegible]

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE ...continued

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
MN 19/2017	Pro Secure Pty Ltd	01/07/2017	Yes	R25 000 000.00	
MN 181/2016	FG Uniforms	01/07/2017	Yes	R2 200 000.00	
	Sharks Board		Yes	R4 000 000.00	
MN 135/2018	Jamjo Civils cc	07/05/2019	Yes	R14 427 465.24	
MN 138 / 2017	Ukhozi Distributors cc		Yes	R517 072.20	
MN 92 / 2018	Zama Zama Engineering Manufacturers cc	10/12/2018	Yes	R27 000 per container	
MN 137 / 2018	Zama Zama Engineering Manufacturers cc	10/12/2018	Yes	R594 785.80	
MN 52 / 2018	Rambros Funeral Services	03/09/2018	Yes	Rates	
MN 82 / 2018	Zama Zama Engineering Manufacturers CC	23/10/2018	Yes	R2 420 237.08	
MN 136 / 2018	Ukhozi Distributors cc	16/04/2019	Yes	R325 800.00	
MN 121/2014	Shann Investments (Pty) Ltd	2014	Leasing of office space for KDM within the CBD	R193 606.02 PM	
MN 183/2018	Motswako Office Solutions (Pty) Ltd	December 2018	Supply, delivery, installation, commissioning and maintenance of office automation	R96 415.51 pm	
MN 73/2018	Nathimisodile Trading CC & Global Travel	23 January 2019	Call for proposals: appointment of panel of service providers: travel agency for a 3 year period	No fixed amount	
MN59/2017	Deep Thoughts Architecture Pty Ltd	15/12/2017	Design and construction supervision for Mdlebeni Community Hall	R5 153 558.10	
N/A	Deep Thoughts Architecture Pty Ltd		Design and construction supervision for Groutville Community Hall	R4 428 429.18	
MN53/2017	SMA Engineers		Design and construction supervision for Ntshawini Hlalanathi Link Road	R2 280 375.90	
MN112/2018	T2tech consultants		Design and Construction supervision for Nyathikazi bridge	R4 461 503.96	
MN96/2018	PBK consultants	11/05/2018	Design and Construction supervision for Llyod Intersection upgrade	R2 037 118.31	
MN97/2018	BI Infrastructure Consultants		Design and construction supervision Chris Hani sportfield	R5 520 308.64	

	COMPARISON WITH PREVIOUS YEAR 2017/2018		CURRENT FINANCIAL YEAR 2018/2019		ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE		
	TARGET	ACTUAL	TARGET	ACTUAL	G	S	P
			R24 132 172.00	R27 056 124.00	X		
			R2 121 864.00	R1 877 773.00	X		
			R3 629 426.00	R3 634 758.00	X		
	N/A	N/A	The upgrade of Theunissen Road Park Phase 1	Commenced with construction	X		
	N/A	N/A	Construction of ShakasKraal Ablution Facility	Construction of ShakasKraal Ablution Facility	X		
	N/A	N/A	Supply and delivery of refuse plastic bags	Supply and delivery of refuse plastic bags	X		
	N/A	N/A	Rehabilitation of OK Building Ablution Facility	Rehabilitation of OK Building Ablution Facility	X		
	Provision of indigent and pauper burial services for a period of 3 years.	Provision of indigent and pauper burial services for a period of 3 years.	Provision of indigent and pauper burial services for a period of 3 years.	Provision of indigent and pauper burial services for a period of 3 years.	X		
	N/A	N/A	Upgrading of Drop Off Centre Phase 2	Upgrading of Drop Off Centre Phase 2	X		
	N/A	N/A	Construction of Salt Rock Beach Access Road and Gabion Wall	Construction of Salt Rock Beach Access Road and Gabion Wall	X		
					X		
					X		
	June 2018	N/A	June 2019	Roll over			X
			June 2019	Roll over		X	
	N/A	N/A	December 2018	Roll over			X
	N/A	N/A	June 2019	Roll over		X	
			June 2019	June 2019	X		
			June 2019	Roll over		X	

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE ...continued

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
MN66/2018	Ndlovu Ngonyama (Pty) Ltd		Design and construction supervision of Construction of Gizenga road	R5 436 447.62	
MN146/2019	Vijay Ori Consultants	23/07/2018	Design and construction supervision of Construction of Waterworks road upgrade	TBA	
MN109/2019	Vijay Ori Consultants	03/07/2018	Design and construction supervision of Construction of Nyonyamanzi Access road	TBA	
N/A	Gibb Engineering		Design and construction supervision of Construction of Ballito Taxi rank	TBA	
N/A	ZAI	11/04/2018	Design and construction supervision of Construction of Rocky park link to Testing station Road.	TBA	
N/A	ZAI	06/04/2018	Design and construction supervision of Construction of Hillview link road	TBA	
N/A	Izingalabezi	11/04/2018	Design and construction supervision of Construction of R102 link road	TBA	
MN96/2018	SIBGEM	14/07/2015	Design and construction supervision of Construction of Ward 4 internal roads	TBA	
N/A	Dlamindlovu	08/06/2018	Design and construction supervision of Construction of Upgrading Roads and Stormwater in Dube Village	TBA	
MN125/2018	S Zoko		Design and construction supervision of Construction of Rehab of Gledhow Roads.		
MN95/2018	Ngeja		Design and construction supervision of Construction of Khalafukwe internal Roads upgrade Phase 1	R6 838 762.40	
MN58/2017	Ngeja		Design and construction of Construction of Driefontein Community Hall	R1 961 929.69	
MN59/2017	Mlokothwa construction & management	15/12/2017	Construction of Mdlebeni Community Hall	R5 153 558.10	
MN53/2017	Ezengcali Trading	20 June 2018	Construction of Ntshawini Hlalanathi Link road	R2 280 375.90	
N/A	Gabade Building Projects	22/06/2018	Construction of Groutville Community hall	R4 428 429.18	
MN112/2018	Leek Construction cc	25/01/2018	Construction of Nyathikazi Bridge	R4 461 503.96	

	COMPARISON WITH PREVIOUS YEAR 2017/2018		CURRENT FINANCIAL YEAR 2018/2019		ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE		
	TARGET	ACTUAL	TARGET	ACTUAL	G	S	P
			September 2019	Roll Over	X		
			N/A	N/A	X		
			N/A	N/A	X		
			N/A	N/A		X	
			N/A	N/A		X	
			N/A	N/A		X	
			N/A	N/A		X	
			June 2019	Roll Over		X	
			June 2019	Roll Over		X	
			June 2019	Roll Over		X	
			June 2019	Roll Over	X		
			June 2019	December 2018	X		
			June 2019	Roll Over			X
			June 2019	Roll Over			X
			June 2019	Roll Over			X
			June 2019	Roll Over		X	

APPENDIX I: SERVICE PROVIDER PERFORMANCE SCHEDULE ...continued

BID NUMBER	NAME OF EXTERNAL SERVICE PROVIDER	DATE CONTRACT AWARDED	SERVICE PROVIDED IN TERMS OF THE SLA	VALUE OF PROJECT	
MN96/2018	Rey plant and civils pty ltd	14/09/2018	Construction of Lloyd Intersection Upgrade	R2 037 118.31	
MN125/2018	Rey plant and civils pty ltd	30/04/2019	Rehabilitation of Gledow Road	R3 293 319.98	
MN97/2018	Phumelela Dlomo JV D2D Projects		Construction of Chris Hani Sports field	R5 520 308.64	
N/A	Esethu isipho		Completion of Groutville Community Hall	R	
N/A	Umphini construction	26/04/2019	Completion of Construction of Mdlebeni Community Hall	R2 942 128.20	
N/A	Benjivet	04/04/2019	Upgrade of Roads and stormwater in Dube Village	R9 961 615.46	
N/A	Benjivet	04/04/2019	Rehabilitation of Murugan Road	R2 939 949.50	
N/A	Zama zama konke trading and project managers	04/04/2019	Construction of Wooden Bridge in Ward5	R245 000.00	
N/A	Jamjo civils	04/04/2019	Reinstatement flood damaged bridge	R7 404 000.00	
N/A	Eswazi projects	04/04/2019	Construction of Wooden Bridge in Ward5	R 229 040.00	
N/A	Edge to edge	04/04/2019	Nkobongo stormwater upgrade	R7 531 859.00	
N/A	Edge to edge		Repairs of damaged stormwater at ML Sultan Road	R	
MN95/2018	NAP holdings	28/02/2019	Construction of Khalafukwe internal roads upgrade.	R6 838 762.40	
MN58/2017	Nap Holdings	13/04/2018	Construction of Driefontein Community Hall	R1 961 929.69	
MN66/2018	Shikane Trading	15/04/2019	Construction of Gizenga Road	R5 436 447.62	

Table: Performance of Service Provider

	COMPARISON WITH PREVIOUS YEAR 2017/2018		CURRENT FINANCIAL YEAR 2018/2019		ASSESSMENT OF SERVICE PROVIDERS PERFORMANCE		
	TARGET	ACTUAL	TARGET	ACTUAL	G	S	P
	June 2019	June 2019	X				
	June 2019	Roll Over	X				
	June 2019	Roll Over		X			
	June 2019	Roll Over		X			
	June 2019	Roll Over	X				
	N/A	N/A		X			
	June 2019	June 2019		X			
	June 2019	June 2019		X			
	June 2019	June 2019					
			June 2019	June 2019	X		
			June 2019	Roll Over	X		
			June 2019	June 2019	X		
			June 2019	Roll Over	X		
			June 2019	June 2019	X		
			June 2019	Roll Over		X	

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Mdakane N.J of KwaDukuza Municipality (Postal address) and (Residential address) 36 Parklane Ladysmith 3370 employed as The Municipal Manager at the KwaDukuza municipality

Municipality hereby certifies that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
N/A	N/A	N/A	N/A

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
Mdukase family trust	Trust	None

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income

Council sanction confirmed:

Signature of His Worship the Mayor:  Date: 29 June 2018

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
N/A	N/A	N/A	N/A

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A	N/A	N/A

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
N/A	N/A	N/A

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
Flat	64m2	Pretoria	R550 000
House	70m2	Ladysmith	R600 000
House	100m2	Ladysmith	R900 000

MR
NJ
NR

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued


SIGNATURE OF EMPLOYEE

DATE: 29 June 2018

PLACE: KwaDukuza

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.


Commissioner of Oath /Justice of the Peace

Full first names and surname: WILLIAM MTHANDENI MKHIZE (Block letters)

Designation (rank): HR ADMINISTRATION OFFICER Republic of South Africa

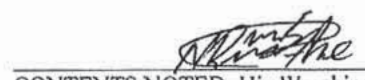
Street address of institution: KWADUKUZA MUNICIPALITY

COMMISSIONER OF OATHS

(EX-OFFICIO)

Date: 29 June 2018 TEL : 032 437 5000

Place: KwaDukuza FAX : 032 437 5098


CONTENTS NOTED: His Worship the Mayor

DATE: 29 June 2018

MR
NJ
NR

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) RAJCOOMAR S M of 14
Rose Road, Stanger Manor, Stanger (Postal
 address) and 14 Rose Road, Stanger Manor, Stanger (Residential address)
 employed as Chief Financial Officer at the KwaDukuza

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest (all balances as at 29 May 2015)	Nature	Nominal value	Name of Company or entity
710	Iron & Steel	270	Alert Steel Holdings
2200	Iron & Steel	1056	BSI Steel Ltd
9000	Pharmaceuticals	270	Nutritional Holdings Ltd
1000	Marine Transportation	3740	Santova Logistics Ltd
20000	Electronics	Unlisted instrument	Zaptronix Ltd

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
None		

3. Remunerated work outside the Municipality (As sanctioned by Council)

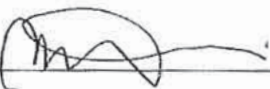
See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
None		

Council sanction confirmed :

N58 

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

Signature of Municipal Manager :  Date : 30/06/2018

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
None			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
None		

6. Gifts and hospitality from a source other than a family member

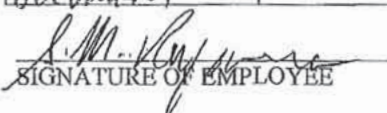
See information sheet: Note (6)

Description	Value	Source
None		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
No changes to previous declarations			
PLEASE REEVALUATE			
ATTACHED DOCUMENT			


SIGNATURE OF EMPLOYEE

NS 8 10

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

DESCRIPTION			AREA	VALUE
FARM	2424	FARM 2424 PORTION 10	KWA-DUKUZA	R 180,000
FARM	6391	FARM 6391	KWA-DUKUZA	R 560,000
SMITH	2123	ROSE ROAD 14	KWA-DUKUZA	R 1,010,000
FLAT	1802	JOHN ROSS HOUSE	DURBAN	R 500 000

NS 8

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

DATE: 2018/05/18
 PLACE: KWADUKUZA

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.



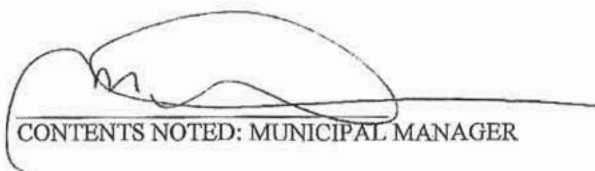
AHMED ASMAL
 COMMISSIONER OF OATHS
 PRACTISING ATTORNEY, R.S.A
 69 MAHATMA GANDHI STREET
 KWA-BUKUZA (STANGER)

 Commissioner of Oath / Justice of the Peace

Full first names and surname: AHMED ASMAL (Block letters)
 Designation (rank): ATTORNEY Ex Officio Republic of South Africa
 Street address of institution: 69 MAHATMA GANDHI STREET

Date: 18-05-2018

Place: STANGER



 CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30/06/2018

NTJ

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned Mr S.C Viramuthu of P.O.Box 1806, KwaDukuza, 4450, and 9 Van De Wagen Drive, Rocky Park, KwaDukuza, (Residential address) employed as, Executive Director: Municipal Services at the KwaDukuza Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
50	Shares		Sasol
100	Shares		PhutumaNathi

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
nil	nil	Nil

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
Self	Town Planning Consultant	R20 000.00

Council sanction confirmed :

Signature of Municipal Manager :  Date : 29/06/2018

Q

NJ QPZ M

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
NIL			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
Nil		

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
Nil		

7. Land and property


See information sheet: Note (7)

Description	Extent	Area	Value
Erf 3272	900 sq m	Rocky Park	R900 000.00
Erf 5,	2111 sq m	Tinley Manor	R875 000.00
Erf 4	2103 sq m	Tinley Manor	R950 000.00
Flat 13 Palm Lakes	95 sq m	Palm Lakes	R780 000.00
Flat 84 St James	38 sq m	Bellaire	R140 000.00


SIGNATURE OF EMPLOYEE

DATE: 29.06.18

PLACE: Kwadukuzana


APZM

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes


(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

<p>THE OFFICIAL WHO'S NAME, COUNCIL'S IDENTITY NUMBER AND DESIGNATION APPEARS BELOW:</p> <p>NAMES: <u>Sergio Gwender</u></p> <p>COUNCIL'S IDENTITY NUMBER: <u>2018-06-20</u></p> <p>DESIGNATION: <u>Principal Clerk</u></p> <p>IS AN EMPLOYEE OF THE KWADUKUZA MUNICIPALITY (032-4375000) AND IS ALSO APPOINTED AS A COMMISSIONER OF OATH EX OFFICER AND HEREBY CERTIFIES THAT THIS DOCUMENT IS A CERTIFIED COPY OF THE ORIGINAL</p> <p>SIGN: <u>Sergio Gwender</u></p> <p>DATE: <u>20 June 2018</u></p> <p>Commissioner of Oath / Justice of the Peace</p>	<p>is affixed to the declaration in my presence.</p> 
---	--

Full first names and surname: Sergio Gwender (Block letters)

Designation (rank): Principal Clerk Ex Officio Republic of South Africa

Street address of institution: 12 Industria Crescent
off Albert Luthuli Street, KwaDukuza

Date: 20 June 2018

Place: KwaDukuza


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 29/06/2018

N/S
QPZ M

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) S. W. Kubheka
 of Box 2781 KwaDukuza 4450 (Postal
 address) and Same as postal (Residential address)
 employed as Exec. Dir. Corp Serv at the KwaDukuza municipality

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
		N/A	

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
	N/A	

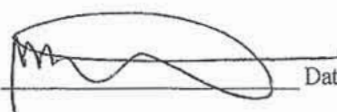
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
	N/A	

Council sanction confirmed :

Signature of Municipal Manager :



Date : 29/06/2018

N. Swu
QZ M

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
		N/A	

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
	N/A	

6. Gifts and hospitality from a source other than a family member


See information sheet: Note (6)

Description	Value	Source
	N/A	

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
House	1000m ²	Detmali	± R1m
House	350m ²	Tinley Manor	± R2m


SIGNATURE OF EMPLOYEE

DATE: 29/06/2018

PLACE: kwa Dikwiza

Suk
N3

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?


Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.


WILLIAM MTHANDENI MKHIZE
 HR ADMINISTRATION OFFICER
 KWADUKUZA MUNICIPALITY
 COMMISSIONER OF OATHS
 (EX-OFFICIO)
 TEL.: 032 437 5000
 032 437 5000
 Full first names and surname: WILLIAM MTHANDENI
 Designation (rank): EX-OFFICIO Ex Officio Republic of South Africa
 Street address of institution: 14 CHIEF MARGRET LUTHA'S STREET
KWADUKUZA
 Date: 18 MAY 2018
 Place: _____


 CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 29/06/2018

SWK
NJ NM
QPM

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Hlongwane SV of P.O. Box 1583, PORT SHEPSTONE 4240 (Postal address) and No 9, Fernwood Estates, Shelly Beach (Residential address) employed as Executive Director: Economic Development and Planning at the KwaDukuza Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
100	Preference	R11 6000	SASOL Inzalo
150	Preference	R 3000	MTN Zakhele Futhi

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
N/A		

3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
N/A		

Council sanction confirmed :

Signature of Municipal Manager

Date: 29 June 2018

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
N/A			

SVM
NS
MR

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A		

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
N/A		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
No 9, Fernwood Estate	422 Square metres	Shelly Beach	R1 600 000.00



SIGNATURE OF EMPLOYEE

DATE: 29 June 2018

PLACE: KwaDukuza

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer yes

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

SVH
NTJ
MP

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath /Justice of the Peace

Full first names and surname: **WILLIAM MTHANDENI MKHIZE** (Block letters)

Designation (rank): **HR ADMINISTRATION OFFICER** Republic of South Africa

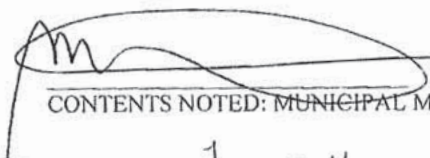
Street address of institution: **KWADUKUZA MUNICIPALITY**

COMMISSIONER OF OATHS

(EX-OFFICIO)

Date: **TEL.: 032 437 5000**

Place: **FAX : 032 437 5098**


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 29 June 2018

*WV
SVH
MR
NJS*

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) KIANHLE SM
 of 117 PERSIE AVENUE MTLINCINI (Postal
 address) and P.O. Box 251 922
117 PERSIE AVENUE (Residential address)
 employed as EXECUTIVE DIRECTOR at the KWADUKUZA

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
100%		100%	DRUM CHARGE / MSH/11/11/17

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
	N/A	None

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
	N/A	None

Council sanction confirmed :

Signature of Municipal Manager :

Date : 30/06/2018

SMK AA 8

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
	N/A	None	

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
	None	

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
	None	

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
WITPESIL AVENUE	1400	m ²	R2500,000
BELLY KRAMICIL	1200	m ²	R650,00
56 CHESIMINGWANA	1209	m ²	

SIGNATURE OF EMPLOYEE

DATE: 30/06/2018

PLACE: KWADUKUZA

NS

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.

Commissioner of Oath /Justice of the Peace

Full first names and surname: WILLIAM MTHANDENI MKHIZE 25/06/2018 (Block letters)

Designation (rank): HR ADMINISTRATION OFFICER Ex Officio Republic of South Africa

Street address of institution: UKUKUZA MUNICIPALITY

COMMISSIONER OF OATHS
(EX-OFFICIO)

Date: 25/06/2018 TEL: 032 437 1000

Place: UKUKUZA MUNICIPALITY FAX: 032 437 5099

CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30/06/2018

8 NS

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) Manzini A.M of Lot 110 , La Lucia Extension, 4015, (Postal address) and Lot 110, La Lucia Extension, 4015 (Residential address), employed as Chief Operations Officer at the KwaDukuza Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. **Shares and other financial interests (Not bank accounts with financial institutions)**

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
N/A	N/A	N/A	

2. **Directorships and Partnerships**

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
Manzini Drayage & Trucking Pty Ltd	Warehousing & Logistics	R4 800 000
Manzini Tyres and Wheels Pty Ltd	Automobile	R0.00
Manzini Investment Group (MIGRO)	Investment	R0.00
Migro Wear		R0.00

3. **Remunerated work outside the Municipality (As sanctioned by Council)**

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
Manzini Drayage & Trucking Pty Ltd	Managing Director	R300 000 pa

Manzini A.M
MS
NT

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

Council sanction confirmed:

Signature of Municipal Manager:

Date: 29-06-2018

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
N/A	N/A	N/A	N/A

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
N/A	N/A	N/A

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
N/A	N/A	N/A

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
Property	1080sqm	La Lucia Ext Lot 10	R1 900 000
Property	3701	Glenhills Umhlanga Rocks	R3 699 000

Amanda

Ww
Am
MR
NJ

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

SIGNATURE OF EMPLOYEE

DATE: 29 June 2018

PLACE: KwaDukuza

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer YES

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.


Commissioner of Oath / Justice of the Peace
WILLIAM MTHANDENI MKHIZE
HR ADMINISTRATION OFFICER
KWADUKUZA MUNICIPALITY
Full first names and surname: COMMISSIONER OF OATHS (Block letters)
Designation (rank): (EX-OFFICIO) Ex Officio Republic of South Africa
Street address of institution: TEL.: 032 437 5000
FAX: 032 437 5098
Date: 29 June 2018
Place: KwaDukuza


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 29 June 2018

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APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) **Sithole E.M.** of **51 Patricia Road, Chase Valley, Pietermaritzburg, 3201** (Postal address) and **7 Paul Street; Eshowe; 3815** (Residential address) employed as **Executive Director: Civil Engineering and Human Settlements** at the **KwaDukuza Municipality** hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
Trustee	Trust	N/A	Maphitha Trust

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
Ivume Tent & Equipment Hire cc	Hiring business	R35 800.00 p.m.
Maphitha Transport	Taxis	R 38 350.00 p.m
Siyaphambili Stokvel	Stokvel	R 13 000.00 p.m

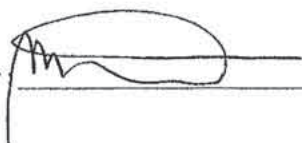
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
Ivume Tent & Equipment Hire cc	Hiring business	R25 800.00 p.m.
Maphitha Transport & Tours	Taxis	R43 250.00 p.m
Siyaphambili Stokvel	Stokvel	R13 750.00 p.m
Property Rentals	Flats/ Sites	15 300.00 p.m

Council sanction confirmed :

Signature of Municipal Manager

 Date : 29/06/2018

NJ
E.M.S
arm

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
Christ Embassy	Propagation of the gospel of our Lord Jesus Christ	R15 000.0 p.m

6. Gifts and hospitality from a source other than a family member

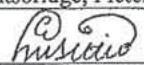
See information sheet: Note (6)

Description	Value	Source
Taxis-Germiston	Business-estimated R70000.00	Business from Late Brother

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
Erf 1707, Pietermaritzburg	Residential	2100 m ²	R 2 053 100.00
Erf 120/4 Eshowe	Residential	1450 m ²	R 583 250.00
Erf 1665 Eshowe	Business site	2320 m ²	R 230 864.00
6 Nandi Mews, Richards Bay	Flat/ rental	94 m ²	R 680 950.00
10 Knightsbridge, Pietermaritzburg	Flat/ rental	105 m ²	R 870 000.00


SIGNATURE OF EMPLOYEE

DATE: 29/06/2018

PLACE: kwa Dukwa.

NJ
E.M.S.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer Yes,

(ii) Do you have any objection to taking the prescribed oath or affirmation?

Answer No,

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer Yes,

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration



Commissioner of Oath /Justice of the Peace

RAMATHIWAHABEER BAGWANDA
COMMISSIONER OF OATHS
ASSISTANT DIRECTOR: HUMAN SETTLEMENTS
KWA-DUKUZA MUNICIPALITY
P.O. BOX 72, KWA-DUKUZA, 4450
APPOINTED ON 23:08:2006, REF:9/1/8/2

Full first names and surname: _____ (Block letters)

Designation (rank): _____ Ex Officio Republic of South Africa

Street address of institution: _____

Date: _____

Place: _____



CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 29/06/2018

NJ
E.M.S.

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

FINANCIAL DISCLOSURE FORM

I, the undersigned (surname and initials) JALI SM
 of PO Box 954 BAWITO 4420 (Postal
 address) and 03 OXFIELD ROAD SALTROCK
UMHLALI 4390 (Residential address)
 employed as EXECUTIVE DIRECTOR at the KWADUKUZA

Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)

See information sheet: Note (1)

Number of shares / extent of financial interest	Nature	Nominal value	Name of Company or entity
NONE			

2. Directorships and Partnerships

See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
NONE		

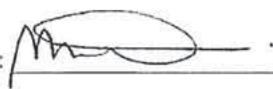
3. Remunerated work outside the Municipality (As sanctioned by Council)

See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income
NONE		

Council sanction confirmed :

Signature of Municipal Manager :



Date : 30/06/2018

NJ & SJALI

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

4. Consultancies and retainerships

See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received
NONE			

5. Sponsorships

See information sheet: Note (5)

Source of sponsorship	Description of sponsorship	Value of sponsorship
NONE		

6. Gifts and hospitality from a source other than a family member

See information sheet: Note (6)

Description	Value	Source
NONE		

7. Land and property

See information sheet: Note (7)

Description	Extent	Area	Value
ERF 591 Salt Rock	RESIDENTIAL	1212 m ²	2 495 000,00
MANANE NKANDLA	RESIDENTIAL	2000 m ²	300 000,00

SIGNATURE OF EMPLOYEE

DATE: 30/06/2018

PLACE: Kwadukuza

NJ 8 SJALI

APPENDIX J: DISCLOSURE OF FINANCIAL INTEREST - PME ...continued

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down her/his answers in his/her presence:

(i) Do you know and understand the contents of the declaration?

Answer YES

(ii) Do you have any objection to taking the prescribed oath or affirmation?


Answer NO

(iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

Answer YES

2. I certify that the deponent has acknowledged that she/he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true".

The signature/mark of the deponent is affixed to the declaration in my presence.


Commissioner of Oath / Justice of the Peace

Full first names and surname: Zanelle S. Sithole (Block letters)

Designation (rank): Commissioner Ex Officio Republic of South Africa

Street address of institution: Umhlali R102 Main Road

Date: 2018/06/25

Place: Umhlali R102 Main Road


CONTENTS NOTED: MUNICIPAL MANAGER

DATE: 30/06/2018



NS 8 SJAL

APPENDIX K: REVENUE COLLECTION PERFORMANCE

Refer to AFS

APPENDIX K (1): REVENUE COLLECTION BY VOTE

Refer to AFS

APPENDIX K (2): REVENUE COLLECTION BY SOURCE

Refer to AFS

APPENDIX L: CONDITIONAL GRANTS RECEIVED: EXCLUDING MIG

Refer to AFS

APPENDIX M (I): CAPITAL EXPENDITURE: NEW ASSETS PROGRAMME

Refer to AFS

APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	STATUS
HS/001	Aldinville	10	R2 900 000	R0	R2 900 000	R0	Only 34 houses are remaining to be built
HS/002	Charlotdale	10/11	R8 565 000	R3 365 000	R1000 000	R4 200 000	Project at Planning Stage
HS/003	Chris Hani	15	R54 234 532	R6 474 800	R18 292 934.00	R24 466 799	Project at Construction Stage. Construction of Internal Services has started.
HS/004	Chief Albert Luthuli	9 / 11 / 12 / 14 & 26	R7 722 000	R0	R	R7 722 000	Project awaiting Budget Approval for the remaining Houses.
HS/005	Driefontein Phase 1	21	R 730 735	R732 735	R6 474 800	R8 600 000	Project at Planning stage still have to obtain SPLUMA approval.
HS/006	Greater Driefontein Phase 2	21	R0	R0	R0	R0	Project at initial Stage. Land Availability Agreement are concluded between KDM and Land Owners
HS/007	Dube Village	10/12	R0	R40 000.00	R0	R0	Only few Sub-Divisions to be effected and transfers through Transfer Restoration Programme.
HS/008	Dube Village Extension Lot 173	10/12	R	R0	R0	R0	This project is no longer there as this property has been incorporated under Charlotdale Housing Project.
HS/009	Ethafeni	12	R3 159 025	R0	R3 159 025	R0	KZN DOHS have approved budget for transfers of properties through Transfer Restoration Programme. KDM is busy looking for budget that can be used to complete the incomplete houses.
HS/010	GP2 Etsheni/ Njekane	11	R7 389 462	R500 000	R0	R0	This development was blocked due to protest that took place within the ward. KDM is in a process of appointing a new contractor to complete the project.
HS/011	Etete Phase 4	7/20	R10 274 506	R24 000 000	R 30 890 190	R18 362 501	The project is at site servicing and construction of houses stage, 113 houses completed.
HS/012	Gaza Strip	5	R14 752 560	R0	R0	R14 752 560	KZN DOHS has set aside a budget for the construction of houses aiming to relocate people who are residing at the dump site.
HS/013	Gledhow Compound	15	R1 663 000	R0	R0	R0	This project is still at planning stage. It has encountered delays in dealing with the liquidators before a decision to expropriate taken.
HS/014	Hangoes	9	R0	R0	R0	R0	Landowners of the Properties that were initially identified for the proposed development are not willing to release their land for the development.

APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS ...continued							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	STATUS
HS/015	Hyde Park Country Estate	11	R8 198 500	R0	R0	R3 600 000	The new IA has finalised the review of work done by the previous IA and found that all studies done are now invalid due to their time has lapsed.
HS/016	Kwatwele	3	R0	R0	R0	R1 663 000.00	This project is still at initial stage of planning. Awaiting land acquisition funding from KZN DOHS and Housing Development Agent.
HS/017	Lindelani 303 Sites	5	R0	R0	R0	R0	Only few transfers are awaiting to be done before close out process can begin.
HS/018	Lindelani 272 Sites	5	R0	R0	R0	R0	Rectification Programme has been phased out by KZN DOHS.
HS/019	Extension 36	5	R0	R0	R0	R0	There two houses that were built on the Public Space that required rezoning before transfers can be done. This will be followed by Close-Out process.
HS/020	Extention 46	5	R0	R0	R0	R0	Rectification Programme has been phased out by KZ
HS/021	Lloyds	14	R82 323 858	R4 999 999	R34 564 126	R18 292 934	Project at construction stage. Budget for internal services have been approved.
HS/022	Madundube	27	R6 998 500	R0	R0	R2 400 000	Project at stage 1 close out, pre application for stage 2 submitted for comments to the KZNDOSHS
HS/023	Mellowood Park	22	R6 236 000	R0	R0	R1 637 500	Stage 1 application evaluation completed by KZNDOSHS; more information is requested on the application pack
HS/024	Mbozamo	18	R1 580 000	R 1 580 000	R0	R0	Project rectification was approved for only 255 houses, the houses were completed in 2017/2018 financial year
HS/025	Mgigimbe	9	R12 726 750	R1 664 000	R1 965 000	R2 200 000	Project at stage 1 close out, KZNDOSHS to evaluate the stage 2 application pack submitted after closeout of stage 1
HS/026	Mnyundwini P5	9	R1 490 000	R500 000	R549 000	R0	The IA has appointed the contractor to do 94 houses they will be stablishing on site in September, the Spluma application was approved now awaiting for the ROD
HS/027	Monkey Town	17/18	R6 186 822.19	R0	R0	R1588 322.19	Stage 1 application pack has been submitted to KZN DOHS for consideration.
HS/028	Nkobongo P1	8	R0	R0	R0	R0	Rectification Programme has been phased out by KZ

APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS ...continued							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	STATUS
HS/029	Nkobongo P2	8/22	R0	R0	R0	R0	Rectification Programme has been phased out by KZ
HS/030	Nonoti Mouth	3	R4 970 756.58	R0	R0	R 372 256.58	The funding from the Inqaba Trust has been approved the Environmentalist will be preparing the documents required for the EIA application
HS/031	Nyathikazi	3	R10 279 900	R0	R0	R2 279 900	KZNDOSHS will present the stage 1 close out, evaluation of stage 2 application pack underway
HS/032	Ntshaweni	26	R82 323 858	R4 999 999	R34 564 126	R18 292 934	Project is at site servicing and construction of houses stage. 10 units on wall plates level,
HS/033	Ohlange San Souci	25	R0	R0	R0	R0	This project is still at initial stage of planning. Awaiting land acquisition funding from KZN DOSHS and Housing Development Agent.
HS/034	Rocky Park	19	R27 821 000	R16 901 000	R0	R5 400 000	The project was blocked on 2018/19 financial year, the stakeholders are have worked very hard to unblocked this financial year 19/20 the project has been unblocked and the construction will start the first part will be doing emergency work, funding has been approved and construction has started on site
HS/035	Sakhamkhanya Phase 1	1	R107 712 115	R36 708 000	R 26 993 820	R18 827 934	The project is at construction stage 350 units has been completed
HS/036	Senzangakhona	18	R0	R0	R0	R0	The project constructed 46 units out of 62, 16 houses remaining the challenge on this project is subsidy administration
HS/037	Shakashead Phase 1	4	R0	R0	R0	R0	Rectification Programme has been phased out by KZ
HS/038	Shakashead Phase 2	4	R800 000	R0	R800 000	R0	The project doesn't have any more sites to develop 690 houses were constructed on project

APPENDIX M(II): CAPITAL EXPENDITURE- UPGRADE/RENEWAL PROGRAMME ...continued

PROJECTS IMPLEMENTATION PLAN (IDP): HUMAN SETTLEMENTS ...continued							
PROJECTS ID	PROJECT NAME	WARD	ESTIMATED COST 3 YEARS	2018/19 BUDGET	2019/20 BUDGET	2020/21 BUDGET	STATUS
HS/039	Shakaville Ext	18	R0	R0	R0	R0	The stage 1 application pack has been evaluated by Province all documents required has were sent July 2019 the project is ready for Province to be presented in their committee
HS/040	Shayamoya	23	R516 000	R0	R516 000.00	R0	Only six (6) houses were remaining to be built however it was found out that the site office was built on these sites. An application to reduce the yield has been prepared and will be submitted for consideration.
HS/041	Sihle Phakhathi	24	R50 459 732	R4 999 999	R1 000 000	R19 992 934	The project is at site servicing and construction of houses
HS/042	Sokesimbone	1,25	R83 668 117	R18 540 000	R15 033 200	R25 507 045	The project has 893 house completed, 98 houses at different stages of construction
HS/043	Steve Biko P1	13,26	R0	R0	R0	R0	Rectification Programme has been phased out by KZ
HS/044	Steve Biko P2	13,26	R119 854 407	R28 349 000	R34 875 287	R27 357 546	The project is at site servicing and construction of houses 91 houses completed and 251 houses at different stage of construction
HS/045	Umvoti Toll	12	R0	R0	R0	R0	The feasibility study conducted revealed that the project is not feasible.
HS/046	Vlakspruit	23	R13 760 00.00	R0	R0	R688 000.00	Project at Pre-feasibility stage, the project routes(Road) cross over private land the negotiations are ongoing with the land owners and response on availability of Bulks
HS/047	Blyt dale Hills Coastal Resort	3	R2 000 000	R0	R0	R2 000 000	Project is at Initial stage
HS/048	Rocky Ridge	23	R2 000 000	R0	R0	R2 000 000	Project is at Initial stage
HS/049	Sheffield	22	R2 000 000	R0	R0	R0	Project is at Initial stage
HS/050	Renovations to Compounds		R4 000 000	R2 000 000	R2000 000	R0	The project is for the removal of 27 roofs in the Gledhow Compound

APPENDIX N: CAPITAL PROGRAMME BY PROJECT CURRENT YEAR - FINANCE

The values below are in draft and subject to change to with finalisation of the AFS.

SUMMARY CAPITAL BUDGET 2018 / 2019							
BUSINESS UNIT	APPROVED BUDGET	ADJUSTED BUDGET	2 ND ADJUSTED BUDGET	EXPENDITURE AS AT 30 TH JUNE 2019	ACCRUALS	YTD EXP.	AVAILABLE BALANCE
Office of the Municipal Manager	580,000	654,303	654,303	653,637	-	653,637	666
Corporate Services	18,650,000	20,650,000	20,692,000	937,571	-	937,571	19,754,429
Finance	-	130,000	88,000	35,543	-	35,543	52,457
EDP	1,000,000	1,006,694	1,006,694	705,279	-	705,279	301,415
Community Services & Public Amenities	48,235,952	30,605,008	27,113,005	13,450,450	1,767,568	15,218,019	11,894,986
Community Safety	8,566,000	9,642,615	9,642,615	1,964,942	-	1,964,942	7,677,673
Civil Engineering & Human Settlements	116,388,851	114,838,854	118,139,854	68,855,640	24,318,883	93,174,523	24,965,331
Electrical Engineering	150,940,941	58,190,392	58,890,392	14,165,307	12,225,454	26,390,761	32,499,631
Youth Development	400,000	527,013	527,013	526,679	-	526,679	334
Total	344,761,744	236,244,879	236,753,876	101,295,049	38,311,905	139,606,954	97,146,922

Table 50: Capital programme

APPENDIX O: CAPITAL PROGRAMME BY PROJECT BY WARD CURRENT YEAR

CAPITAL PROGRAMME	PROJECT	WARD CURRENT YEAR
Development of a Grade a Motor Vehicle and Driver Testing Centre	Acquisition of Land	Ward 15
Led Street lights	Installation of LED Streetlights	All Wards
High Mask Lights	Installation of High mask Lighting	28, 23
Kwa Dukuza Mall Bulk Supply	Construction of Electrical Bulk Supply	16
Gizenga 33/11kV Substation	33/11 KV substation	
MIG	Etete Sportsfield	7
	Upgrading of KDM Lavopierre Building Phase 1	19
MIG	Mdlebeni Community Hall	25
New Infrastructure	Ntshawini / Hlalanathi Link Road Completion	24
MIG	Groutville Community Hall	29
MIG	Construction of Nyathikazi bridge	3
Upgrade of Infrastructure	Construction Lloyd intersection	14
MIG	Construction of Chris Hani sport field	15
MIG	Gizenga Street	16
MIG	Khalafukwe internal roads	20
Rehab	Rehabilitation of Gledhow Roads	15
Stormwater Upgrade	Nkobongo stormwater upgrade	8
Pedestrian Bgidges	Re-instatement of wooden bridges	18 & 5
Stormwater Upgrade	Ward 29 storm water improvement	29
Rehab	Rehabilitation of Murugan road	13
Rehab	ML Sultan road	16
Rehab	Rehabilitation of flood damaged bridge	5
Rehab	Reinstatement of stormwater at 38 Geranium Street	17
Rehab	Ward 2 stormwater	2
Rehab	Repairing sinkhole and stormwater pipe	27
Rehab	Resurfacing of road and construction of stormwater crossing	17
Stormwater Upgrade	Stormwater repair and cleaning in cluster G/lindelani stormwater	Cluster G
Rehab	Rehabilitation of flood damaged bridge	5

Table: Capital projects by ward

APPENDIX P: SERVICE CONNECTION BACKLOGS AT SCHOOLS AND CLINICS-

APPENDIX Q: SERVICE BACKLOGS EXPERIENCED BY THE COMMUNITY WHERE ANOTHER SPHERE OF GOVERNMENT IS RESPONSIBLE FOR SERVICE PROVISION

LOCAL MUNICIPALITY	HOUSE HOLDS	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
WATER-BACKLOG STUDY ESTIMATES											
KwaDukuza	70 284	13 125	12 225	9 725	9 725	9 725	7 056	6 875	6 613	6 253	6 253
SANITATION- BACKLOG STUDY ESTIMATES											
KwaDukuza	70 284	12 456	12 456	12 456	12 456	12 456	12 311	12 311	12 311	12 311	12 311

Table 12: Achievement Backlogs iLembe Water and Sanitation

Source: iLembe Water Backlog Study 2007

APPENDIX R: DECLARATION OF LOANS AND GRANTS MADE BY THE MUNICIPALITY

DESCRIPTION	LOAN NUMBER	INTEREST RATE	DATE REPAYABLE	BALANCE AT 30/06/2019	RECEIVED DURING THE YEAR	REDEEMED / ADJUSTMENTS / (INTEREST CAPITALISED) DURING THIS PERIOD	BALANCE AT 30/06/2019
Non Annuity Loans	101267/19	10.43%	31/03/2026	16 664 362		2 083 045	14 581 317
	61006918/19	9.73%	30/09/2030	135 774 178		4 606 350	131 167 829
	61006918/19	9.73%	31/12/2032	77 819 044		2 640 132	75 178 912
Total Non-Annuity Loans				230 257 585		9 329 527	220 928 058
Annuity Loans							
Total Annuity Loans							-
TOTAL EXTERNAL LOANS				230 257 585		9 329 527	220 928 058

Table 53: Grants and Loans

APPENDIX S: DECLARATION OF RETURNS NOT MADE IN DUE TIME UNDER MFMA S71

There are no returns outstanding.

APPENDIX T: NATIONAL AND PROVINCIAL OUTCOME FOR LOCAL GOVERNMENT

The powers and functions of the municipality have been detailed in the annual report on **pages 287** as well as the sharing of functions with other sector departments on **pages 24-27** of the 2018/2019 Annual Report.



MUNICIPAL OFFICES

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